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for CONSTRUCTION

**Gold Price** 

1978

\$13<del>1</del>

BY COLIN MILLHAM

Gold up

by record

Bollar

Tuesday February 6 1979

## **UK** ready for court battle on fishing fall 0.23

The UK Government is pre-pared to challenge the EEC Commission in the European Court of Justice rather than abandon its fisheries conserva-tion measures imposed last year. The Commission demanded that Britain lifts its ban on herring fishing into the Mourne area of the east coast of Ireland

area off the east coast of Ireland and around the Isle of Man. It also objected to an extension of the industrial fishing ban in part of the North Sea.

EEC Farm Ministers have approved the broad outline of the Commission's proposals for this year's Farm Price Review. but agreement has still to be reached on green currencies and and MCAs. Page 39

#### Kruger refusal

Justice Minister Jimmy Kruger of South Africa refused to prosecute Gen. Hendrik van den Bergh, former head of the South African secret service, for contempt of a judicial commis-sion. Page 3

#### Bhutto verdict

Pakistan's Supreme Court will today pronounce on the appeal against the death sentence of deposed Prime Minister Zulikar Ali Bhutto. Page 3

#### Race move

Black children entered white schools in Rhodesia as race barriers were removed. The Transitional Government said it would press ahead with its plans for a limited form of majority ruic, and one-man, one-rote elec-tions in April. Parliament Page

## Director seized

Gunmen thought to be Basque separatists seized the French director of a Michelin factory They shot him in the knee before releasing him.

### Uganda killings

Ugandan soldiers were reported to have shot dead several people in Kampala, after two sabotage attacks at the weekend.

### Terror charges

Twenty-four men, four of them from Ulster, appeared in court in Paisicy, near Glasgow, accused of plotting to commit offences under the Prevention

#### of Terrorism Act. EEC talks start

Spain opened talks with the EEC aimed at achieving full membership of the Community

## in about 14 years. Page 29

er engi. Julius

440

Proll ruling A London magistrate ruled that Baader - Meinhoff terrorist Astrid Proll can be extradited to West Germany.

#### of Lords. Postal slip

Post Office chairman Sir William Barlow said the standard of postal and telephone services has slipped a little."

## Briefly . . .

The discovery of a woman's body under a bed in a guesthouse in Deal, Kent is being treated as murder. A 21-year-old East German sol-

dier escaped across the Com-munist border to West Berlin. Bianca Jagger filed for a divorce from Rolling Stones singer Mick Jagger in Los Angeles.

Winner of the £100,000 prize in the Premium Bond draw is the Stockport owner of Bond number 16RB 339653. Bond number for the £25,000 prize is 19RZ 252226. The owner lives in Renfrew.

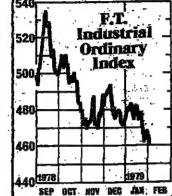
(Prices in pence unless otherwise

| 100 + S | 104 + 7

Roan Cons. Mines. 110 + 10 Rustenburg 154 + 10

## **Equities** ease; Gilts

● EQUITIES eased under the influence of international and domestic events and the FT index, down 8.1 at 1 p.m., closed 6.6 down at 450.7, its lowest



closing level since July 7 Mining issues responded sharply to the rises in commodity prices and the Gold Mines index rose 9.5 to 181.4.

• GTLTS saw fresh selling and the Government Securities index closed 0.23 down at 65.57.

STERLING rose 95 points to \$1.9895, but trade-weighted average fell to 63.3 (63.4). The dollar's depreciation widened to 8.1 per cent from 7.6.

● GOLD rose \$13} to \$244} in

• WALL STREET was 11.26 down at 823.37 just before the

• GOVERNOR of the Bank of England, Mr. Gordon Richardson, has acquitted the inter-national banking system and the Euromarkets themselves of posing a threat to world economic and financial stability. Back Page

• FIRST CHICAGO Bank of the U.S. has cut its prime rate by i per cent to 111 per cent, following similar cuts by Chase Manhattan and First Pennsyl-

• RETAIL spending in December was even higher than pro-visionally estimated, with final official figures showing a 3 per cent increase between Novem-

ber and December. Page 6 • STEEL INDUSTRY'S customers. have criticised the Government's strategic handling of the nationalised sector of the steel industry, particularly BSC's planned closures of

unwanted steel-making capacity.

Page 6 • METRO-CAMMELL of Birmingham has won a £50m order to supply an extra 150 rail cars to the Hong Kong Mass Transit Railway Corporation, in a contract bringing the total value of work placed with the company

Proll can now appeal to the Court of Appeal and the House NATIONAL CARRIERS made a trading profit of £2.6m last year, which resulted in the company's first net profit since it was formed 10 years ago. Page 8

to £125m. Back Page

BL CARS senior shop stewards have voted to call for a total strike by the company's 100,000 manual workers in support of their demand that parity payments should be paid.

• VIBROPLANT HOLDINGS, plant hire specialist increased pre-tax profit in the half year to September 30 from £1,23m to £1.6m on turnover up from £4.38m to £5.37m. Page 30

• BRENTNALL BEARD (Holdings) has announced a series of deals during its last financial year and after, which have reorganised the group's Canadian operations, following Canadian losses. Page 30

Sabina .....

Lucas Inds. ..... 270 - 7 

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

 Southwaal
 543 + 44

 Vaai Reefs
 £17 + 1½

 Vogels
 95 + 12

 West Drie
 £24½ + 1½

 (indicated) Banks (Sidney C.)... 97 + 5 Evans of Leeds ..... 99 + 4 Treas. 141pt 1994 ... £100i - 1
Alpine Hidgs ... 95 - 5
Bell (A.) ... 174 - 8
Blue Circle ... 250 - 6
Brit. Car Auction ... 64i - 4
Downty ... 989 - 6 Lowe (Robert H.) ... Mining Supplies ... 131 + 5 Mountview Ests. ... 110 + 4 | Stormguard | 12 + 5 |
Warner Ests.	168 + 8
Wilkinson Warbrin.	93 + 4
LASMO	152 + 8
Oil Exploration	224 + 6
Anglo-Amer. Coal	755 + 55
Braeken	102 + 8
Kinross	366 + 31
Libanon	578 + 34
Lydenbure	100 + 8

# 16% offer rejected by water workers

FINANCIAL TIMES REPORTERS

The water industry's 33,000 manual workers last night turned down an increased pay offer of 16

felt there was still room for further improvement in the offer, which will become the pacesetter for public sector pay

The National Union of Public Employees had made it clear before yesterday's talks began that if the earlier 13.9 per cent offer was not significantly improved its 10,000 members in the industry would be called on to take official action. Unofficial action has already taken place in parts of England. taken place in parts of England, particularly the North West and Yorkshire.

There was disarray yesterday among Ministers and local authority associations over how far the Government would be prepared to support a pay offer by councils that exceeds 8.8 per

Colleagues of Mr. Callaghan were insisting that the Prime Minister had not given the goahead for a much more flexible attitude to be adopted by the local authorities when he referred, on Saturday, to a settlement in single figures.

## **Denials**

Mr. David Ennals, Social Services Secretary, certainly interpreted the remarks in a Newcastle speech as meaning that Government support would be forthcoming for a settlement ability study for Health Service that remained in single figures. ancillary workers, ambulance-He also said in the Commons men and other grades. Effect that he aimed to secure a singlefigure settlement for health service workers.

There were strenuous denials of any shift in the Government's position. It was stressed that local authorities would have to approach the Government for permission before negotiating any offer above 8.8 per cent.

Treasury officials said the Prime Minister's speech did not necessarily imply that the Government would be prepared to underpin a settlement above 8.8 per cent. The belief among MPs, how-

ever, is that the Government would be prepared to support a settlement up to 10 per cent. Local authorities are annoyed that if the Prime Minister still intends not to sanction a deal above 8.8 per cent, his Newcastle speech weakened their already difficult bargaining

Leaders of the three main 13.9 per cent offered.

Negotiations were still going authority associations yesterday on last night, and union officials met officials of the local authorities' advisory secretariat to dis-cuss the position before tomorrow's negotiating meeting with the unions. There was also an informal joint meeting between the main negotiators on the employers and the union

## Civil service talks today

Civil service unions will meet Lord Peart, the Lord Privy Seal, this morning in an attempt to stave off a one-day strike in two weeks' time. Page 8. TUC leaders spent four hours with Mr. James Callaghan and other Ministers discussing a new social contract. An agreement is expected to be reached by tomorrow week. A MORI opinion poll in today's Daily Express gives the Converva-tives a 19 per cent lead over Labour. Back Page

In the health dispute, pay negotiations for hospital ancillary staff are scheduled today, and for ambulancemen either tomorrow or Thursday. Mr. Ennals promised in the Commons arrangements would be made to introduce a comparwould be given to this next year. It would not be retrospec-

Mr. Ennals appealed for a return to normal working as industrial action in the health service - and among local authorities—was stepped ug.

The Department of Health however, said the union's code of conduct for health service strikers appeared to be having some impact. Difficulties at

some trouble spots had eased. Last night's water industry talks were concentrated on two main areas: an easing of the conditions attached to a £5 efficiency bonus and consolidation of the £6 supplement from Phase One of the present series of pay polices.

The employers made it clear that they were prepared to consolidate fully the £6 supplement which they estimated would add further 2 per cent to the

## Continuing unrest in Iran brings reaction

## Oil companies fear Saudi output cut

BY KEYIN DONE, ENERGY CORRESPONDENT

COMPETITION FOR shrinking world oil supplies has been intensified by reports that Saudia Arabia has imposed a new monthly production ceiling which would reduce available supplies by up to Im barrels a day.

The four U.S. oil companies

Exxon. Socal. Texaco and
Mobil—which lift nearly all Sandi oil production, have refused to confirm the reports of new production limits, but they are believed to have started to warn subsidiary companies and other crude oil customers to expect some cutback in supplies and further

price increases.
With nearly 5m barrels of erude oil a day lost to world markets, by the halting of oil exports from Iran, Saudi Arabia has held the key to consuming nations finding at least some replacement sup-

Tranian Army and supporters of an Islamic republic loomed closer last night as the

Ayatollah Khomeini announced

the appointment of a " premier " to head his " provisional government."

The religious leader named

Dr. Mehdi Bazargan, who was

seated next to him at a Press

conference, as the man chose by his "revolutionary council," a body which he claims to exist

but whose members are unknown. His action is seen

before taking account of current

But the output prices, charged

by industry at the factory gate,

have still been rising at a moder-ate rate. This suggests that the

12 month rate of retail price in-

flation - 8.4 per cent in mid-

December-should edge up only

gradually during the first half

The Industry Department said

yesterday that the price index for materials and fuel bought by

manufacturing industry increased by 1.6 per cent in January to 150.6 (1975=100).

The most important single

influence was the higher price of crude oil introduced by the

producing nations at the begin-

pay increases.

Higher fuel prices

In recent months it has increased production by about 3m barrels a day, partly to meet the usual increase in demand during the winter but partly to offset the loss of Iranian production.

Fears are growing, however, that Saudi Arabia has decided to hold down its production to 9.5m barrels a day compared with output in the first half of January that was ranging between 10.2m and 10.5m barrels a day.

Saudi Arabia operated a production limit last year which set an average level of 8.5m barrels a day. This was interpreted as an annual average, however, which allowed production to rise from low levels in the first half of 1978 to more than 10m barrels a day in Decem-

According to oil industry

Clashes loom as Ayatollah

The Ayatollah called for

demonstrations in villages and

cities throughout the country in

support of his regime. Failure to obey would be against Islam

and blasphemous, he asserted.

He has also been closely associated with the National

The result has been that the

raw materials cost index has

gone up by 3.4 per cent in the

past three months compared

with a fractional decline in the

previous three. Over the last

Continued on Back Page

Editorial comment, Page 16

Retail sales, Page 6

Dr. Barzagan, who is 73, is

names his 'premier'

the Shah.

early 1950s.

BY ANDREW WHITLEY AND ALAIN CASS IN TEHRAN

CONFRONTATION between the appointed Prime Minister by

as a direct challenge to the Front, the main opposition arms and a government of grouping. Recently he has acted Dr. Shap, Al Bakhtiar, who was as an intermediary between the

put pressure on industry

HIGHER fuel and raw material prices of other commodities,

prices have built up the cost notably metals, have also pressures on industry even started to rise.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

executives in the U.S., Sandi Arabia has established monthly production limits of 9.5m barrels a day, which will apply for the first three months of the year.

The extra 1m barrels a day above last year's production ceiling is likely to be charged at higher prices to take account of the fact that the Organisation of Petroleum Exporting Countries oil prices are due to rise every three are due to rise every three months this year.

This extra output would be treated as if it were produced in the final quarter of the year, by which time oil prices will have risen by 14.5 per cent above the 1978 level.

The squeeze on crude oil supplies has been further tightened by Libya's decision to cut production by about 50,000 harrels a day because of technical problems.

army and the Ayotollah

at a peaceful compromise.

possible. His

pany under the nationalist ation, Dr. Bakhtia's administeader, Dr. Mossadegh, in the tration is likely to proceed to it.

Khomeini's camp in an attempt

Dr. Barzagan has been ased

' provisional

Dr.

steady.

to appoint a cabinet as soon as

government" would then hold

national elections for a con-

stituent assembly to ratify a

constitution presented to it.

more determined than ever.

with reassessing economic policy. It is considering plans to nationalise the crippled bank-

ing sector, to take full control

of the country's oilfields, and to

review joint venture agreements

Affairs and Finance, said yes-

terday that Iran's domestic con-

sumption will he siashed when

companies whose contracts have

been cancelled that compensa-

Other developments,

tion will be paid.

But he was anxious to assure

political stability is restored.

with foreign companies. Senior officials in

COLD PRICES soared in

London yesterday, closing with a record one-day rise of \$101. Fears about continuing unrest in Iran and the supply of oil

from the Middle East, along with speculative switching be-tween metals by investors contributed to the surge. The metal closed at \$0.44)-

its highest since the all-time closing high of \$245! last October 30. Gold opened very firm at

\$23%, following strong demand in New York on Friday, soon cased to \$236! on profit taking, then rose steadily in very active Silver also rose sharply, gaining 20p to close at 357p (710c).

With the U.S. likely to lose 88bn in Iranian defence orders, the dollar fell back to DM 1.8650 against the D-mark. compared with DM 1,8850 on Friday, and the SwFr 1,6000 in terms of the Swiss franc, against SwFr 1,7080.

The dollar's tradocreichted index on Bank of England figures, fell to \$4.5 from \$5.6 Although Britain stands to: lose 8? Ihn from the Irraigo arms outback, sterling was fairly

Bakhtiar's administration have Its index, as calculated by the disclosed meanwhile that the Bank of England, eased to 63.3 cancellation of defence con-tracts with the U.S., Britain, West Germany and Italy involve from 63.4, but the pound rose 95 points to close at \$1.9895 against the dellar, orders worth no less than \$15bn At the same time, Dr. Rostam Pirasteh, Minister of Economic

Money markets, Page 26 Metal prices. Pages 16 and 39

I in New York

## **Dunlop State aid hits snags**

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

its troubled tyre business has run into problems in Whitehall after failing to win initial back-ing from the Government's independent Industrial Development Advisory Board... Possible terms for the aid,

which Dunlop is believed to want to use for a five-year development programme costing some £100m, are now being renegotiated by the Industry Department.

The company has rejected ideas, floated by the Government, that the National Enterprise Board should take a stake in its business, and the Govern-

Appts. advt. .....
Base Rates
Sus. Appts. ....
Crossword

A REQUEST by Dunlop for ment is now looking for other £23m State aid to help develop ways of involving itself in the ways of involving itself in the future of the company. One idea being canvassed is that the Government might recoup some of the £23m Dunlop wants in the form of interest relief grants, if the company is

making adequate profits after

five or six years. Ministers see the claim for aid, which is one of the largest made under the Industry Department's £150m selective investment scheme, as a politically sensitive issue. This is because Dunlop is declaring than 3,000 workers redundant and is closing its Speke plant on Merseyside.

The object of Dunlop's development programme is to build up its tyre manufacturing business in Birmingham. Ministers envisage a political storm should they grant £23m to a company which is pulling out of a depressed development area so as to build up its operations in a more prosperous part

of the country.

Dunlop applied for the aid before Christmas and subsequently is believed to have had talks with the NEB which were broken off at an early stage because the company was not interested in a deal with the State-owned organisation.

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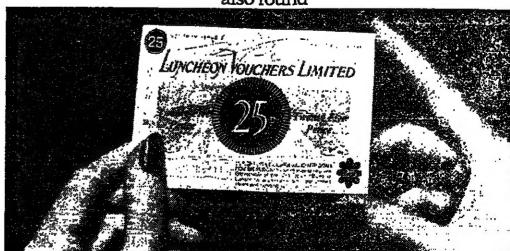
New Zealand is blamed for hutter discovering

Industrial property ... 17-28

for butter disruption F.T. SURVEY

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## Discontent growing as Paris union talks open

By David White in Paris

TWO KEY labour meetings take place in Paris today and to-morrow against a background of escalating conflicts in several

regions of France.
The Government begins talks today with five steel unions on the hotly contested plan to cut some 21,000 jobs in northern and eastern France this year and next. Tomorrow, leaders of the two most powerful trade union confederations, the Communistled CGT and the Left-wing CFDT, meet to try to patch up differences which have eakened the impact of industrial action.

The talks between M. Robert Boulin, Labour Minister, and the steel unions offer little hope of a compromise that will calm feelings in the steelmaking regions.

The unions are seeking firmer guarantees of new jobs and a reduction in the number of redundancies, by introducing a fifth daily shift and a 35-hour working week. But the Government has been adamant about adhering to its job-shedding plan and is most unlikely to give in on a 35-hour week. The unions will also ask for better treatment of redundant workers, including facilities for retraining. It is thought that the Government might be prepared to lower the threshold for early retirement

M. Edmond Maire, secretarygeneral of the CFDT, warned at the weekend that in Lorroine and the Nord-Pas de Calais region "it is beginning to be a question of mass anger." Protests continued over the weekend when steelworkers from Usinor, the biggest French producer, blocked the Paris-

Brussels motorway. Tomorrow's meeting between M. Maire and his counterpart at the CGT. M. Georges Seguy, is overshadowed by continuing political differences. These were underlined on Sunday when M. Maire strongly criticised the xenophobic" attitudes of the Communist party and CGT, which have laid much of the blame for current employment problems at West Germany's

meeting in December, may well be able to establish joint fronts at a local level. Apart from their discussions are likely to focus on combatting redundancies in Renault's lorry plants and in the shipyards. The two unions are already joining forces in an increasing number of strike movements.

#### **OECD** move on aid scheme for Turkey

West German Government to prepare for a joint aid scheme for Turkey by member countries of the OECD has been accepted by Mr. Emile van Lennep, the

The proposal has the support of the U.S., Britain and France, and Mr. van Lennen hopes to persuade other OECD members to join the scheme, writes Robert Mauthner in Paris.

LEAKED FIGURES AN EMBARRASSMENT FOR ERTL

## German farm incomes 'up 10.3%'

BY JONATHAN CARR IN BONN

west German farmers in- (EMS) depends on finding a comes seem at first sight to have suitable solution to the probbeen made available at an lem of monetary companies moment for the probability of the pro embarrassing moment for Herr amounts (MCAs) in European Josef Ertl. the Agriculture Community farm trade. Bonn's Minister.

Even as he went into negotiations in Brussels yesterday determined to resist any efforts to undercut the position of his farmers, the figures appeared in the West German Press. They show incomes grew by a healthylooking 10.3 per cent in the 1977-78 year to an average DM 24,084 (£6,480) for each family member working on the

It is unclear exactly who leaked these details. They will be included in the Government's agricultural report for 1977-78 but this has neither been published nor discussed by the Cabinet or Parliament.

It is not immediately clear what the motives for the indiscretion might be. But it is either in the Government or in the senior coalition party, the Social Democrats (SPD)—is wholly sympathetic to the tough

partners, and France in parti-cular, feel West German farmers have benefited disproportionately from MCAs. Proof that West German farmers have just enjoyed a marked rise in income could thus be used as pressure on Herr Ertl to be more

The figures could boomerang, however, against those who might try to use them in this way. For one thing, farm officials point out that the rise of 10.3 per cent is over the very poor drought year of 1976-77, when farmers' incomes actually dropped by nearly 14 per cent. Furthermore, available evidence suggests that incomes for the current 1978-79 year will rise

by a maximum 3 per cent.

Because of these sharp annual swings, it is said that a fair judgment can be made only sufficient data, wide income from the trend over a longer variations according to the size period. West German statistics show that, over the past decade. Ertl maintains it is his duty to in progress. German farmers farmers' incomes have risen by see that farmers continue to will then see their incomes negotiating line which Herr an average of about 8 per cont share proportionately with other threatened both in Brussels and Ertl, a Free Democrat (FDP), anually, slightly less than the sectors the rise in national at home. They are likely to is likely to adopt in Brussels. rise in non-farming sectors of wealth. He is believed to be increase pressure on Herr Ertl



Herr Josef Ertl

It is true that such statistical comparisons are notoriously full of pitfalls-including inof the farm and so on. But Herr

made to force him to take a across that principle.

He is also understood to think that a resignation on the issue at this point would have particularly sharp consequences in West Germany in the campaign run-up to the European direct elections in June.

Herr Ertl feels that the MCA's, which West Germany has accumulated have merel; compensated his farmers for the rise in the value of the Deutsche Mork. He is ready to cut these MCAs, but only in the context of Community decisions on farm price increases which will help ensure his farmers' incomes do not fall.

There is a further domestic complication. Herr Hans Matthoefer, the Finance Minister and a member of the SPD, is preparing legislation which could mean that West German farmers will have to bear a heavier tax burden. It seems likely that a Bill to this effect will emerge shortly-while the Brussels negotiations are still

## Lambsdorff delays decision on Veba-BP

BY ADRIAN DICKS IN BONN

West German Economics Minister, is not now expected to be in a position to give his decision the complex DM 800m (£215m) deal between Veba and Deutsche BP before the middle of next month.

Although the Minister bad hoped ot publish this week the result of his deliberations on a request by the two companies to let the deal go through, he has stayed his hand pending last-minute intervention by the

COUNT Otto Lambsdorff, the Brussels and the Federal Cartel series of private discussions Office in West Berlin.

> These two bodies have reentered the BP-Veba case after it had been assumed by most observers that each had already

The Cartel Office's report objecting to the planned exchange of interests by the two companies was published last October, and caused Veba and ing BP immediately to apply to natural gas to West Germany, the Count Lambsdorff for a mini- and proposing co-operation in in sterial dispensation. In a fresh coal gasification research.

yesterday, however, the Cartel Office was believed to be requesting information on an aspect of the deal in which it had previously shown no interest

This is the letter of intent signed jointly between Deutsche BP and Ruhrkohle, West Ger-many's biggest hard coal producer, setting out the terms of Deutsche BP's plans to sell

more than 20 years ago.

ment with Australia. The pro-

tracted deadlock on this ques-

tion is holding up the conclusion

of nuclear supply arrangements

between Britain and Australia.

The Brussels Commission last week surprised some officials in Bonn by announcing that it The Competition Department of the Commission announced that it wanted to study the effect on the West German gas market if a majority of Ruhrgas were to pass into the hands of international oil companies.

If the deal goes through, BP would acquire 25 per cent of Ruhrgas, which is already co-operating with Ruhrkohle in the coal gasification field.

## Brussels row likely over nuclear safeguards

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

FRANCE APPEARS set on 2 collision course with the Euro- ceded that the Commission pean Commission over the should attend the talks, aimed politically sensitive question of at concluding a convention on individual member governments ling of nuclear materials. But should be responsible for it appears bent on undermining negotiating international agree- its role by refusing to approve ments on nuclear safeguards.

French chairmanship, are asked by the Commission for a nego-AN INVITATION from the conference on physical protecthat in the absence of one, none Vienna yesterday.

The Commission insists that the Euratom treaty empowers it alone to represent the Community in the talks. Its argument is powerfully supported by a landmark decision handed down by the European Court of

whether the Community or its safety standards for the handits role by refusing to approve a mandate, whose main elements The issue may come to a head have already been agreed in today when EEC Foreign principle by the eight other member States. nember States.

as interference by the ComThe Commission claims that munity in this field is also

the court decision also requires causing it to baulk at a Commistiating mandate to enable it to the Council of Ministers to sion request for authorisation to take nart in the international equip it with a mandate, and negotiate a safeguards agreetion standards which opened in of the individual governments may legally participate in the conference

It is still unclear, however. what the Commission will do if France continues to block its French official thinking is conrequest. Officials here were still hoping that a compromise could be reached at today's Justice last November, which meeting and appeared reluctant unequivocally reaffirms that it to engage France in a head-on meeting and appeared reluctant treaty is portrayed as an unhas sole authority in this area. confrontation which could badly

France has reluctantly con- damage relations with Paris. it into line with today's political France's insistence on being realities. allowed a free hand to pursue its own nuclear policies—in both the civil and the military

In particular, the article suggests that it is high time that the section of the treaty dealing fields-has been a source of with nuclear supply arrange-ments, whose provisions have long been criticised by France. friction with the ESC's institutions almost since the day the Euratom treaty was signed was redrafted to permit BEC governments greater indepen-Resistance to what it regards dence of action.

• The world's first fatal accident at a nuclear power plant involving release of radioactivity may have occurred at a Czech power station three years ago, according to the New York newsletter Nucleonics Week, writes David Fishlock

In a report from Prague it A carefully-timed clue to says that two men were killed while refuelling a 150 MW gascooled reactor at Jaslovske Bonunice. How the operators tained in the current issue of the weekly news magazine L'Express in which the Euratom were killed is not known, althought one suggestion is that a fresh fuel assembly was innecessary relic of an earlier age which should be revised to bring correctly fed in

THE EEC BUDGET DISPUTE

## Parliament throws down the gauntlet

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

THE NEW Year has got off to move on the grounds that the a decidedly unpromising start success of the planned EMS for the Common Market. The would depend partly on a sub-European Monetary System, stantially increased flow of European Monetary System, stantially increased flow of which was supposed to go into resources from the wealthier to orbit on January 2, remains the less prosperous EEC stuck on the launching pad. economies. Efforts to free EMS from France's controversial demands for accompanying changes in breached the statutory margin EEC farm financing arrange by which the Parliament may ments have so far failed to amend the draft budget, known make any headway. And, for as the "maximum rate." This the first time in its history, the is calculated on the basis of budget for the coming year. was fixed for this year at about In other circumstances, the 11 per cent of so-called nonbudget dispute alone would be obligatory spending—that part serious enough to prompt talk of the budget which does not of a "crisis" in Brussels. It flow directly from requirements raises numerous questions laid down in the EEC treaties, about the future division of The Parliament is prohibited decision-making responsibilities from altering obligatory expen-in the Common Market and ditures, which account for touches, accordingly, on some roughly three-quarters of the extremely sensitive political budget and consist mostly of nerves in the member states. funds for agricultural price Unless it is resolved soon, there supports. is a risk that it will flare up into full-scale between EEC institutions, badly souring the atmosphere in the ment leaders themselves at of following "irregular" pro- week Britain France and Deurun-up to next June's direct their December 1977 summit in cedures but without specifically mark added a new complication elections to the European

At its simplest, the row is sovereignty-conscious govern-ments to keep major decisions When EEC Budget firmly under their control and an attempt by an unexpectedly defiant European Parliament to carve out a bigger sphere of jected. But Britain and Italy, for its elected successor. But few more than two-thirds of the disputes in the EEC are ever extra funds, jointly blocked the completely clear-cut, and this one has been blurred by a number of complicating factors which do not make for an easy vote, the amendment was tempt them into joining EMS. solution.

allowed to stand and the draft Finally. France was still fuming

Parliament.

The seeds of conflict were sown last October, when the Parliament for its final reading. normally supine Parliament The Budget Council had sprung a surprise by tacking an apparently expected the Parlianormally supine Parliament extra 480m units of account

The decision was doubly controversial. In the first place, it has no agreed various economic criteria and

Secondly, the value of this confrontation year's regional fund had been set at 620m UA by EEC govern-Brussels. In French eyes, particularly, the Parliament's attempt to alter that figure was a tug-of-war between the an impudent challenge to the determination of the most authority of the EEC's supreme

When EEC Budget Ministers met last November. France and Germany pressed to have the regional fund amendment redirectly which together stood to receive But few more than two-thirds of the move. After an unsuccessful French attempt to force the issue to be put to a unanimous budget was sent back to the

did nothing, invoking a hitherto over the Parliament's amend-obscure provision of the Rome ments by agreeing to increase treaty which states that if the retroactively the maximum rate. Council fails to modify Parlin- In exchange, the Parliament mentary amendments within 15 would be asked to approve a mentary amendments within 15 days, the budget shall be deemed to be finally approved. was supported even by the Gaullists, normally the most extension of the powers of the Parliament.

Faced with this challenge, the good. Council and the Commission consulted their legal experts. In both cases, the conclusive opinion given was that the cil. Italy, in the threes of a budget had indeed been adop- new Government crisis, has Somewhat lamely, the warned that it will oppose any Council then dispatched a letter move to cut back the regional to the Parliament accusing it fund to its original size. Lest

increase from the regional fund to other chapters of expenditure approved by the Council. But prospects for an agree-ment on these lines do not look Not only has it been coolly received by the Parliament, but it is also threatened

supplementary budget transfer-

Few disputes in the EEC are ever completely clear-cut, and this one has been blurred by a number of factors which do not make for an easy

solution.

cedures but without specifically mark added a new complication contesting the budget's validity. by refusing to accent the Par-The Commission, for its part, liament's budget as the basis for announced that it intended to their contributions towards the implement the budget on the basis of the Parliament's ver-

Matters could not, however, be left to rest there. The Parliament had clearly exceeded its not to dispute the budget's maximum rate and, moreover, validity, a view consistent with maximum rate and, moreover, its budget omitted some vital items. These included provisions for certain personnel expenses and 200m UA for interest rate subsidies promised to Ireland and Italy at last December's Brussels summit to tempt them into joining EMS. at what it saw as an outright snub by the Parliament and needed to be mollified.

In an effort to square some ment to back down by repealing of these objections, the Commis-(about £325m) onto the EEC its own amendment. But in the sion has been canvassing a com-regional fund, raising its value event, the Euro-MPs stood their promise whereby the Council to 1bn UA. It justified this ground. More precisely, they would resolve the legal quarrel

by refusing to accept the Par-EEC's February expenditures, even though the six other governments had agreed to do

At first. Britain had agreed its efforts to secure a bigger regional fund. This position, however, flatly contradicted the insistence of the Labour Left that the powers of the Parlia-ment should be strictly curbed. So, with national and European elections scheduled this year, the Government abruptly shifted its ground and joined France and Denmark in a gesture of protest against an action which

it had previously supported. The Commission is now in an exceedingly awkward position have failed to suggest any Unless some form of political practical solution to the current compromise can be negotiated impasse.

between the Council and the Parliament, it will be under increasingly strong pressure from the Euro-MPs to take Britain France and Denmark to the European Court of Justice for failing to pay their full budget contributions. If it showed signs of foot-dragging, it could itself be taken to court by the Parliament for failing implement the budget.

But the real nightmare haunting the Berlaymont is that an impatient and angry Parliament may decide to exercise its ultimate sanction by summarily dis-missing all 13 Commissioners. It would be entirely within its Treaty rights to do so, though such a move would undoubtedly provoke a tempestuous response from the Parliament's critics in countries like France and Britain and probably lead to calls for the postponement of direct elections to punish the presumptuous assembly.

At present, most Commis-sioners do not believe that the threat of such action is very great. But then, few would have predicted a year ago that the Parliament would take such an intransigent stand over this year's budget, and even the optimists in Brussels are coming uneasily aware that the time for averting a head-on collision with the Parliament is

swiftly running out; The hope remains that some compromise can be worked out in the Council, perhaps at today's meeting of Foreign Ministers. But France, currently occupying the Council presidency, is deeply involved in the dispute and is under strong pressure from the Gaullists at nome not to offer the sort of concessions which might make a negotiated settlement possible. So far, the French have sought to take steps which would en-sure that a similar imbroglio did not recor in the future but

## tightens control of agriculture

Romania

ROMANIA HAS initiated sweeping changes in the agricultural sector, aimed at countering recent serious set-backs in farm production. The main thrust of the reforms, announced by President Nicolae Ceausescu, will be to centralise the agricultural bureaucracy and thus keen a tighter rein on wasiage and mismanagement

at the district level.

By the end of February,
so-called General State and Co-operative Agro-Industrial Councils will be set up. These will include state farms, collective farms, tractor and farm machinery stations, as well as all agricultural research institutes.

Though the various units

will have their own budgets, each Council will have one plan for the entire district and will also be responsible for fulfilling the planned targets. Its chairman will be the agricultural expert of the local Communist Party committee. President Ceausescu has cautioned that the new measures should in no way lead to an under-estimation or neglect of small private allotments cultivated by the collectivised farmers. However, the unified management of the agriculture amounts to an unprecedented degree of centralisation

Meanwhile, Ceausescu in a Bucharest speech blamed the farm sector, the food industry and delays in export deliveries for the non-fulfillment of important plan targets. A comparison of the report issued last week by the Central Planning Office with the plan targets show that a number of key targets—and not only in farming—were not reached.

Productivity was up by 7 instead of the projected 9 per cent, industrial output by 9 instead of the planned 10.6 per cent. Total foreign trade turnover increased by 10 per cent, but the original target

was 19.1 per cent.
Mr. Ceausescu revealed that imports last year jumped by 16 per cent, but exports rose only by 6 per cent For the third year in

succession, farm output fell short of the targets. Thus, the output of cereal grains was only 18.9m against the projected 23.2m tonnes, vegetable, fruit. grape grow-ing, as well as livestock and meat targets, were also not reached. In all, gross farm output was up by 2,4 per cent instead of the projected 7-16 per cent. Far from reaching planned growth rates, the and cooking oil were down even compared to actual results in 1977.

Though farm 1950 and showed a 350 per cent rise it is still far behind per capita output in the West or more developed East bloc countries, such as East Germany and Crechoslovakia. Though accounting for more than one-third of the total labour force, farming in 1976 contributed less than 15 per of the GNP.

The revamping of agri-culture comes only two years after a large-scale reorganisation. Observes are doubtful whether yet another revision and reshuffling of personnel will alone improve the situation without a corresponding shift in investment allocations. Last year farming accounted only for some 13.5 per cent of total investments in the economy.

#### Michelin chief shot in ETA Basque protest

By David Gardner in Barcelona M. GEORGES ROUZIER, manager of the Michelin tyre company's plants in Spain's Basque country, was released yesterday after a brief cap-tivity. Gunmen kidnapped him in the town of Lasarte, but later let him go near San Sebastian with a gunshot wound in the leg. The attack was part of a wave of protests against last week's crackdown on Basque refugees by the French Government. The refugees are accused of using French territory as a base to launch terrorist attacks inside Spain.

Protests against the French Government's action — which included the handover to the Spanish authorities of seven people and the deportation to Italy of 16 others—have continued throughout the past week in both the French and Spanish Basque country. desincreased pite severely security measures.

The radical nationalist

stronghold around San Schastian was already paralysed by strike action . yesterday in protest against the arrests and the action of the French Government. The arrests, especially if the defainces are charged under a package. Of agriforment package of anti-terrorist measures passed by decree last week, will certainly mean this strike action spreading

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## Negotiations begin on labour contracts for 2m workers in Italy

BY RUPERT CORNWELL IN ROME

VITAL NEGOTIATIONS for the new round of labour contracts, covering the 1979-81 period, begin here today between em-ployers and unions representing more than 2m workers in the building, metalworking and engineering industries.

The bargaining, particularly in the engineering sector where groups like Fiat and Olivetti are involved, promises to be long and hard. Its outcome may have a decisive impact on the course of the Italian economy over the period.

The initial positions of the true cides are for apart and the two sides are far apart, and the

employers have warned that to give into the claims made by the engineering unions would not only severely damage com-petitiveness abroad but remove any chance of creating new jobs at home. This attitude was shared by the outgoing Government of Sig. Giulio Andreotti, whose ambitious economic recovery plan.

running over the same period as the wage contracts, pinned its hopes on the containment of labour costs. The core of the programme is

its goal of limiting wage in-creases to the rise in the cost

workers platform approved last wage over and above the automatic indexation embodied in the "scala mobile" system.

Moreover, many unionists are now pointing to the collapse of the British Government's incomes policy as proof that no such device would work for long in Italy either.

At the same time they are seeking a reduction in the working week from the present 40 hours to between 36 and 38 hours, despite opposition from the employers and the powerful Communist Party which, at least until its withdrawal from the Government majority 10 days ago, supported the moderate line of the moin union leaders.

Another request resisted by employers is for greater union involvement in corporate planning and decision making, which industry argues would only further add to the tasks of running a company.

The unions also are demand ing specific additional aid for the depressed south, something which is linked intimately to the overall economic strategy of the But the metal outgoing Government.

## **Dutch printers settle for** trend-setting 3% pay rise

1979. The settlement, which is up in companies employing likely to set a trend, provides between 10 and 25 workers. At for increases of 3 per cent and present, Dutch legislation only contains agreements on issues such as early retirement and

The printing settlement pro-vides hopes of a breakthrough in the stalemate which has existed since central wage talks between the two sides of industry and the Government were called off in November. Last discussions between week. representing 240,000 metal-workers and 260,000 building workers were broken

The printers' 3 per cent pay rise is composed of an increase of just over 2 per cent to compensate for price rises and an increase in the basic rate of just under 1 per cent. The minimum holiday payment has been raised to F1 1,900 (£475) and an extra day's holiday will be given.

The two sides also reached and the workers themselves. The unions and the employers compensation mechanism.

THE FIRST main group of will draw up a plan to recruit Dutch workers-about 50,000 and train 1,000 new printers in printing industry employees— areas where there is a shortage has agreed a wage contract for Consultative councils will be set

> The Dutch Government has agreed on a revised Bill to liberalise abortion after some of its proposals were criticised by the Council of State, an advisory body which reviews all draft bills before they are sent to Parliament, writes Charles Batchelor. Prime Muister Dries van Agt refused to give details of changes, but said the main points have been retained. namely that a woman and her doctor should decide whether an abortion should be carried out, and that abortions may be performed in a clinic up to three mouths, but only in hospital thereafter.

provides for works councils in concerns employing 100 or more.

agreement on an early retirement scheme for 63- and 64- demands for a flat rate increase The employers rejected union year-olds in the industry. of Fl 20 (£5) a worker a month, Workers taking early retire- but the percentage increase now ment after at least 10 years agreed exceeds this sum, a union service will receive benefits spokesman said. The largest based on their last full wage. union federation, the FNV, is Premiums not covered by seeking an increase of F1 20 a Government subsidies will be month to meet increases in the met equally by the employers cost of living which, it says, are not met by the automatic price

## Danish bonds ban in force

BY, HILARY BARNES IN COPENHAGEN

will come into force today. It bonds issued in the 1950s, can continue to be traded inter-nationally.

Trading continued in the EEC.

THE BAN on the sale of Danish bonds yesterday, while the state knoner bonds to foreigners authorities worked out how to apply the ban. Technically, it will apply to all bonds issued takes the form of a change in since 1975, which means that the foreign exchange regula-only a small number of state tions which redefines state bonds as money market papers: short-term papers which can be excluded from the capital liberalisation regulations of the

## Pinto faces parliamentary battle over tax on bonus

BY JOHNY BURNS IN LISBON

PORTUGAL'S non-party Gov-erument led by Sr. Carlos Mota Pinto is hoping to gauge today the extent of growing dissatis-faction among the political par-ties and trade unions for some of the Government's economic In what some observers here

see as the 10-week-old adminis-tration's first major Parliamentary test, Sr. Mota Pinto and his Ministers will face a barrage of questions on their controversial plan to introduce a 50-to-60 per cent tax on the traditional Christmas bonus. The Government will also be questioned on its intention of holding salary increases to a ceiling of 18 per cent this year and on plans to reduce the amount of central government spending on local government projects. The Government was clearly

surprised by the criticism of its policies launched at the weekend by the Christian Democrat Party (CDS). The CDS accused the Government of incompe-tonce and implied that it might have to reconsider its support for the administration because of the new tax.

Equally surprising was the weekend challenge launched by

the recently-created non-Communist trade union organisation. the General Union of Workers (UGT). The UGT, which many observers had been expecting to adopt a more passive position than the rival Communist trade union Intersindical, said the levy on the Christmas bonus and the ceiling of 18 per cent were



Sr. Carles Meta Pinto

The new offensive from the parties and the unions has come at a deliente time for the tiovernment. It coincides with the arrival today of an IMF team and the beginning of what is expected to be the renegotiation of the Portuguese "Letter of Intent" signed last May. The Government is hoping to reassure the IMF not only that the political crisis in Portugal is over but also that its budget and short-term economic plan for 1979 will be implemented once parliament approves it February 15.



A think

tank for

World

the Third

By Hugh O'Shaughnessy

THE developing nations of the

world, the ferocity of whose demands for change often

appear to scarify the chanceries

of the richer countries, have

pathetically few resources with

which to deal with the immense

task of carrying on detailed negotiations. They desperately

need a Think Tank and Secretariat to back up their en-deavours. Such at least is the

opinion of Mr. S. S. Ramphal,

who has had a wealth of experi-

well, only 56 of the 117 members

of the Group of 77 developing countries had resident missions

of them with fewer than ten staff. U.S. staff in Geneva for

the MTNs alone was in excess

In the view of some people

it is little short of miraculous

that the developing world main-

tains the level of cohesion and diplomatic initiative that it

currently does given the close and efficient links that exists

through the OECD, EEC, NATO.

and other bodies and the grow-

ing temptations that exists

among the large members of

the developing world, such as Brazil, to cut and run from the

group and do their own deals

with the richer countries on a

The question facing the developing countries is in what form should they cast their new secretariat which Ramphal has

OECDC, the Organisation for

Economic Co-operation among

Developing Countries. Should it be formed by the Non-Aligned

Movement which later this year

celebrates its summit meeting in

the Cuban capital and in which President Fidel Castro aims to

become increasingly important

or should the secretariat be

generated by the Group of 77,

the informal consultative body

of developing countries which

provisionally christened

bilateral basis.

Cuba

of 150," he points out.

Geneva, the great majority

## Salesmen cut their losses

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

now threatened with suspension or cancellation are looking for alternative outlets for the

Defence line is that the con- Other countries have been showtracts, involving more than ing interest in Chieftains for filbn and some 20,000 workers, some time. are still subject to re-negotiation with the Iranian Government, it is believed that most cancelled entirely.

The aim of the Ministry and users for the weapons either in the UK or overseas.

BY BRIJ KHINDARIA IN GENEVA

understandings reached with the National Bank.

to be flowing into Swiss banks from Iran and will come under

ved foreign flight capital two years ago, after the Chiasso affair when one of the country's largest banks took

Millions of dollars are said

UK industrial companies in- primarily built at the Royal variety of alternative vehicles, volved in contracts with Iran Ordnance Factories at Leeds While the loss or rundown (tank vehicles) and Nottingham (the 120 mm guns), could be diverted partially to the British eapons concerned.

Army, which needs to update term in While the official Ministry of some of its existing Chieftains. markets.

Nevertheless, there are likely to be some redundancies Many companies involved in wil be cut substantially, if not Iran foresaw the possibility of difficulties, and began to seek and can redeploy the several new markets for their products hundred workers involved in the affected companies is to before the end of last year, minimise the losses by finding as a matter of prudent before the end of last year,

Rolls-Royce Motors believes For example, the £600m deal the diesel engines it manufor 1,350 Shir One and Shir Iran factures for the Iranian Chieftain main battle tanks, Chieftains could be used in a

of the Iranian order would be a blow in the short-term, the company hopes to soften the longer term impact by finding new

the Dynamics Similarly, the Dynamics Group of British Aerospace, whose £400m deal for the Tracked Rapler is under threat, already is busy on other guided weapons for the UK armed forces and overseas customers, other programmes.

One immediate effect of the Iranian situation is likely to be greater competitiveness in world armaments markets, as Western companies all seek

Swiss concern on flight capital ALARMED BY the rate of much money has entered inflow of Iranian money into Switzerland, but at Ieast \$2.4bn could face substantial fines. But the commission cannot Switzerland, a Swiss banking came in between October and watchdog unit has opened November last year with the enquiries to check whether apparent approval of the Shah's return the money to Iran nor can it force banks to divulge information.

commercial banks are violating government and the Iranian understandings reached with central bank. Banking officials said that getting Iranian money out of The new unit, a special comthe Swiss banking system will mission set up jointly by the be next to impossible unless a National Bank and the Swiss Bankers Association after the future Iranian Government were able to prove beyond doubt that usual banking secrecy laws Chiasso affair, has begun an despite new conventions investigation to ascertain brought in to control unappro- whether the commercial banks the money was obtained through theft or fraud. Tax evasion is not considered grounds for return of funds under Swiss are actively helping Iranian flight capital to make its way regulations and no special

accords have been concluded Mr. Peter Klauser, secretary with Iran huge losses because of alleged of the five-man commission, mismanagement by a branch which is presided over by a manager in the south eastern judge, said discretion was being The only possibility open to new Iranian Government will be to apply to Switzerland's used in handling the situation. Justice and Police Department Banking officials said it was If Swiss banks are found to have to proceed against any criminal impossible to estimate how been aiding flight capital they activities

## Saudis oppose 'foreign interference'

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into Switzerland.

Foreign Minister declared yesterday that his country was opposed to any changes in Iran involving foreign interference and the alteration of balance of Iranians themselves," Prince

Iran as a very natural development, if they reflect demands by Saud Al-Faisal stated in an in-

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Saudi Arabia considers "re- terview with the daily news-cent and current changes in paper al Siyassa.

which lead to foreign interference that would tip the current balance of power in the area,"

"It is not part of Saudi Arabia's policy to intervene in the domestic affairs of other countries," the Saudi Prince replied in answer to a question on his Government's attitude toward the recent political turmoil

Iranians themselves are warning

Earlier this month the rulers of this conservative kingdom appeared so alarmed by the popular uprising against the Shah that they sought assurances of continuing support from the United States. As a result a squadron of F-15 jets of the U.S. air force visited Saudi Arabia for a week to dis-

"But we oppose any changes

in Iran and the departure of the Shah.

Besides, the situation in Iran was not clear enough, he added. though "we do hear that the against foreign intervention."

bodies of the UN Organisation? Though the Suban leader and his Government will be straining every mustle this year—as indeed they have strained for more than a year already-to try to make sure that Cuba becomes the effective leader of the Third World through the Non-Aligned Movement, the unwillingness of many developing play the U.S. flag at a number of air bases. countries to accept Cuba's Marxist-Leninist ideologies and its close relationship with the USSR makes it highly unlikely in the view of many observers

> the better bet. Were the 117 members of this mis-named Group to pitch in with contributions only four need pay more than \$4m a year. The majority would get by with the modest enough contribution of \$25,000 and perhaps derive the added benefit of cutting their overall costs for diplomatic

representation,

that any OECDC will spring from the Havana summit. The

less politically charged Group of

77 seems to some people to be

Though the realisation of the idea of an OECDC is still many months, perhaps years, away there are signs that the need for such a body is becoming more universally accepted in the Third World as it makes its preparations for UNCTAD V which is to be held in May

Next month sees the meeting at the Tanzanian town of Arusha American, African and Asian countries who are going to Manila. Each continental group has already had its own regional meeting to decide its local priorities. Perhaps the most highly organised has been the Latin American contingent who at the end of last year met to draw up their own priorities at the Uruguayan resort of Punta del Este and the Venezuelan capital Caracas under the aegis of SELA, the Latin American Economic System.

### Communist

The ambitiously named SELA has been active for the past few years attempting to work out a Latin American consensus on conomic topics and had some initial success in getting the Cubans at one end of the spectrum to sit down with, say, the Paraguayans and Nicaraguans at the other end of the political spectrum to elaborate a common position. Only last year, however, did its fortunes begin to lok up under the direction of its permanent secretary, the Ecuadorian economist and former Minister, Dr. Jaime

With a small staff in Caracas Dr. Monceyo is busy drawing up polices for the Latin Americans to pursue in their discussions with the EEC and in the various UN forums, drawing heavily on the work of the UN Economic Commission for Latin America based in Santiago.

## Court judgment on Bhutto today

THE PAKISTAN Supreme Court will rule today on whether Mr. Zulfikar Ali Bhutto, the ousted Prime Minister, should hang for ordering the assassination of a political opponent four years ago, Renter reports from Rawalpindi.

A court spokesman said it would deliver its judgment on Mr. Bhutte's appeal against the conviction and

death sentence imposed by Labore High Court last March

Strict security has been imposed in Pakistan in preparation for the judgment. but the announcement will not be the end of an affair which began with Mr. Bhutto's arrest 17 months ago on charges of ordering a 1974 ambush on Mr. Ahmed Raza Kasuri, a vocal critic of Mr. Bhutto. Mr. Kasup escaped, but his father, Mr.

Khan, was fatally wounded.

If the court rejects Mr.

Bhutto's appeal, his lawyers will have 30 days in which to petition the Supreme Court to revise its opinion.

If this fails, Mr. Bhutte, who is 51, would have seven days to petition for mercy. He could petition the military governor of the Punjab province, or go directly to President Zia-ul-Haq.

But the army chief, who appointed himself President last Steptember after ousting Mr. Bhutte in a bloodless coup in July, 1977, has said consistently that he will abide by the Supreme Court verdict if it decides to order the execution of the ex-Premier. Mr. Bbutto has said he

would not petition for clemency and has com-manded his family not to petition on his behalf. He has shown contempt and disdain for General Zia, who he has described as a "chocolate soldier" and

"knight on a white horse."

had at last had the opportunity

to speak. But if they did hang

him, he wazned, the consequences for Pakistan would be

traumatic. It was a remarkable

Few people doubt that Mr.

Bhutto has been given a fair

hearing in his appeal, and by

his own statements he will have

difficulty rejecting the court's judgment if it finally goes against him. British, French

and American lawyers who have

examined the case and heard the

proceedings are satisfied that

performance.

ineffectual, that he was hardly him if they wished, because he

## Pakistan's future on trial

ence as an operator on the international scene, first as the Foreign Minister of Guyana and ONE OF the world's most attempt on his life, but after an currently as Commonwealth Secretary-General. widely publicised court cases comes to an end today when untraced. It was re-opened the seven judges of Pakistan's soon after Mr. Bhutto was "During 1977 there were over 2,000 meeting days in Geneva for UNCTAD alone. And these Supreme Court finally pronounce on the appeal against the death sentence of the were quite apart from other important negotiations at the deposed Prime Minister, Mr. Zulfikar Ali Bhutto.

ILO, GATT, WHO, and other international organisations in Geneva. In that year, which saw intensive activity in the Multilateral Trade Negotiations as But by itself the judgment will not lift the heavy cloud of uncertainty overhanging the country's future. Whatever it says, the decisive move must still come from General Zia-ul Haq, Pakistan's military ruler, and no one knows when that will come.

The verdict itself is nevertheless momentous for Pakistan. While Mr. Bhutto is alive he remains an incalculable force in the country's politics, even languishing in jail. Dead he would be a martyr to his countless supporters in the rural parts of his home province of Sind and all over the Principle. Sind and all over the Punjab. It is not Mr. Bhutto alone who is on trial—the country's future is being decided.

It is hardly surprising, therefore, that the country has been virtually paralysed as it awaits the supreme court announce ment. The administration has postponed decisions pending a verdict. Political parties have loosened existing alliances in case the former leader should re-emerge. Businessmen refuse to invest.

The martial law authorities are taking no chances. In a nationwide swoop at the weekend they rounded up hundreds of Bhutto supporters, mainly local leaders of Mr. Bhutto's Pakistan People's Party (PPD). Police leave has been cancelled, and signs of military preparedness have grown more visible. Schools and colleges have been closed. A series of unexplained bombing incidents in major cities last week has added to

The controversial four month Labore high court that and the seemingly interminable sevenmonth appeal in Rawaipindi have served only to reinforce rather than undermine people's prejudices about Mr. Bhutto.

General Zia now stands by his undertaking to do the court's will. For his part Mr. Bhutto has told his family he wants no mercy appeal if the judges uphold the death sentence. Under the rigours of martial law and after last year's abortive attempt at confrontation Mr. Bhutto's party is poorly placed to start agitating. But many of the world's embassies in Islamabad, have their protest messages prepared.

The Supreme Court judges must pronounce on the Lahore court's conviction and sentence on three charges: death by hanging for murder, seven years jail for attempted murder, and five years for conspiracy to murder. Legal opinion differs on whether the court can reduce the death sentence to life imprisonment, with some lawyers saying that on all three counts it can only confirm the penalty or acquit. One other

alternative is a retrial. The case derives from an incident in November 1974 in which a car containing Mr. Ahmed Raza Kasuri, a member of Parliament who had spoken out against Mr. Bhutto, was ambushed in Lahore. Mr. Kasuri's father, a passenger in the car, died of bullet wounds. Mr. Kasuri named Mr. Bhutto

as the instigator of the apparent

the two men in the National Assembly. His instructions were said to have been passed on to the FSF's Director of Opera-

investigation the case was filed

conspired with the Director General of the Federal Security

Force (FSF). Masood Mahmood,

to murder Mr. Kasuri after an altercation in June 1974 between tions and Intelligence, Mian Mohammed Abbas, who in turn

be in Lahore.

The Government then produced three white papers while

The case of Mr. Bhutto (right), in the eyes of many Pakistanis, is basically an example of holding a political leader responsible for what he did in office, writes Chris Sherwell

in Islamabad.



pulated the media and misused

public funds. But critics found

them unconvincing. When Mr.

Bhutto wrote rejoinder from his

death cell, the martial law authorities impounded the docu-

ment. Journalists who quoted

from one of the clandestinely

The judges themselves be-came embroiled in controversy

when one of the original nine,

thought by the defence to be

pro - Bhutto, was not re-

appointed to the court on an ad

hoc basis when he retired. This

is normally a formality in such

Panic gripped the Bhutto camp. Where the appeal had

seemed to be going so well,

suddenly there was the feeling

that the court was being loaded

ance at the end of the appeal then transformed the pessi-

mistic mood. His wife, Begum

Bhutto, who had been seeking outside advice which brought a

showdown with Mr. Bhutto's

lawyers, now emerged virtually certain that the former Prime

Minister had clinched his case.

The defence team agreed. But

while his appearance was easily

the most dramatic episode in the

appeal, he added little that was

new to the case and made no

attempt whatspever to answer

the allegations concerning the

original investigation of the

Mr. Bhutto told the court he

was not concerned to demon-

cution had to prove his guilt

beyond all reasonable doubt. He

said there was no case against

him. He had no motive to kill

Mr. Kasuri, and was involved

in no conspiracy; the conspiracy

against him. He told the

strate his innocence; the prose-

Mr. Bhutto's personal appear-

instances.

against them.

incident.

instructed Ghulam Hussain, an the appeal went ahead. Aft inspector, to organise the assas- were aimed at blackening Mr. inspector, to organise the assas-Bhutto's image in the eyes of the public. They said he had rigged the 1977 elections, mani-

sination. The men are alleged to have bungled the job, and Mr. Kasuri's father died by mistake. According to the prosecution, the weapons directly implicated the FSF, an organisation under Mr. Bhutto's control. But attempts to investigate the incident were frustrated by "pressure, influence and coercion" from the Prime Minister and circulated copies were liabel to the FSF. Within ten months be accused of contempt of

The detention of Masood Mahmood and the others on the day of the 1977 coup and during subsequent weeks brought a chain of alleged confessions which led to Mr. Bhutto's arrest and trial.

Mr. Bhutto did not treat the prosecution's case particularly seriously. But he took great exception to the way the court worked. He quickly concluded from what he felt were insults and humiliations that the court was prejudiced against him, and he boycotted the proceedings. He lost more faith when the court heard his own statement in camera after hearing the prosecution case in open court. When the court eventually found Mr. Bhutto guilty and sentenced him, and four others, to death last March, if produced a judgment which in its tone appeared to confirm

Bhutto's supicion Mr. Bhutto initially refused to appeal. After an international outery which, as can now be seen, wasted irrecoverably much of the pressure that may yet be sought to save his life, an appeal was filed with the supreme court. Hearings began in May. After the controversial Lahore Trial the court went to great lengths to ensure that the defence was given a fair hearing, and Mr. Bhutto's lawyers went minutely about their task.

They attacked the reliability of Mr. Kasuri as a man of capricious political loyalties whose

dishonest and said the contraousted by General Zia.
At the Lahore trial, the prosecution said Mr. Bhutto had dictory "confession" extracted from him was not independently

someone to be eliminated. They

derided Masood Mahmood as

Evidence was also produced to show that the jeep supposedly used in the ambush could not at the time have been with the men confessing to the crime. One of these men was further shown to have been in Karachi at the time he was supposed to

the appeal has been fair, but they are also certain that the charges would not stand up in their own courts. While the evidence may seem circumstantial to Western eyes, Pakistan's law takes account of a traditional tendency to deal directly with one's enemies and where justified aims to convict the person giving the orders. On top of this the incident took place under a regime where "dirty tricks" if not murder were widely believed to be a

legitimate part of politics. Certainly Mr. Bhutto was known to be a petty and vindictive man as well as a remarkable leader. The questions constantly asked concerning political inunanswered. The judiciary has a reputation for independence in Pakistan, but like all judiciaries has known some poor judges. Not to acknowledge to Bhutto supporters that General Zia, Mr. Justice Mushtaq Hussain (the chief justice at the Lahore

trial) and Chief Justice Anwar-

ul Haq are close to each other

is to appear naive. In the eyes of many Pakistanis for Bhutto case is not a way of overcoming a political succession problem, but quintessentially an example of holding a political leader responsible for what he did in office. The military government has pressed ahead resolutely ability" an all fronts, punishing former office-bearers by dis-qualifying them from politics

through military tribunals. The Bhutto case has nevertheless become a salutary example of how not to hand a succession problem, for all the Government's insistent protests that it is just a private case. The uncertainty paralysing the country will continue once the judgment is handed down while General Zia decides whether to commute a death sentence or, in the event of acquittal, to press further charges already in pipeline. Public reaction will be critical.

Regardless of the outcome, a return to representative government looks as far away as ever. The divisions within the country have deepened. The attempt to build an Islamic order has produced precious little and the economy remains in difficult straits. At the same time, events in Iran and Afghanistan and the seemingly uncountered moves of the Soviet Union in the region have increased the Government's uneasiness.

Bhutto supporters declare rather arrogantly that if he is hanged the country will break up. Opponents are convinced country to the brink of fragmentation, and they fear his return. Pakistan's tragedy is that in the absence of national unity and political stability at home and judges he had full confidence in support from abroad, both may them, and said they could hang be right.

## Former chief of BOSS will not be prosecuted

BY QUENTIN PEEL IN CAPE TOWN

Mr. Jimmy Kruger, South launched the traditional motion Africa's Justice Minister, yester- of no confidence in the Governday refused to overrule his ment with an all-out attack on Attorney-General and prosecute its handling of the information Gen. Hendrik van den Bergh, scandal. the former head of the South African secret service, for conof a deliberate Government

cover-up of the ramifications of General. Mr. Kruger was accused by

Mr. Colin Eglin, leader of the Opposition Progressive Federal the administration of justice." Opposition leader mentary control."

announced last night.

interest rates in the markets

He accused the Government of making Dr. Connie Mulder,

tempt of a judicial commission. the former Information Mini In the face of accusations by ster, a scapegoat for the misuse parliamentary Opposition of public money in his depart ment, when it must have been known to several, if not all, the Information Department Cabinet members. Mr. John scandal. Mr. Kruger said it Vorster the former Prime would be contrary to tradition Minister and now state Presioverrule the Attorney deat, Mr. Owen Horwood, the Minister of Finance and Mr. P. W. Botha, the present Prime Minister and Defence Minister were all "responsible for their Party of "making a travesty of respective parts in the corruption of a system of parlia-

Pretoria lowers bank rate by 0.5%

BY OUR JOHANNESBURG CORRESPONDENT over the past two weeks, is another clear move to stimu-THE BANK Rate in South Africa is to be reduced from

8.5 per cent to 8 per cent late the flagging South African economy. with effect from today, the Bank overdraft rates, as well as building society and South African Reserve Bank The move, which follows a considerable easing of post office savings accounts

rates, are expected to follow comes from outside the country.

## Anti-Amin group in action

BY JOHN WORRALL IN NAIROBI A NEW " kill Amin " movement,

the Save Uganda Movement (SUM), has gone into action in his mercenary henchmen." town-Amin beware." pamphlets have found their way to Nairobi, in the possession of

It is not known whether SUM is responsible for the violence in Kampala on Sunday which continued yesterday. A bomb disrupted electricity supplies on Sunday and the blackout in Kampala continued yesterday. Uganda radio, which had to use its auxiliary generator, made no mention yesterday of the vio-

An oil tank belonging to AGIP was set on fire in the Kampala industrial area on Sunday, and troops patrolling the streets have set up roadblocks. A SUM spokesman in Nairobi said the group claimed responsibility for the explosion and the oil tank

President Amin's reference on Uganda radio on Saturday to a killer squad " sent into Uganda from Tanzania by Dr. Milton Obote, the former Uganda Presdent, to kill him and other prominent people, may be an attempt to show that SUM

The SUM pamphlet says it was formed to "kill Amin and Kampala, flooding the city with called on "patriotic soldiers to pamphlets headed "SUM is in kill Amin now or he will shoot Some you like Ondoga, Arube Ochima and many other gallant soldiers. "It appealed to civil servants to locate Amin "for killing," and appeals to the whole Uganda

population to prevent Amin

from running away." It reminded Ugandans that Amin killed Archbishop Luwum. Mr. Benedicto Kiwanuka. the Chief Justice, Mr. Mubiro, the governor of the Bank of Uganda, Mr. Frank Kalimuzo. the Vice-Chancellor of Makerere University, and thousands of other sons and

daughters of Uganda." With the Tanzanian army ranged along the border west of Lake Victoria. and Dr. Milton Obote recently urging the people and army of Uganda to rebel against Amin, pressures against the Ugandan dictator are in-

creasing.

Amin said last week that Tanzanian forces have been shelling up to 18 miles inside Uganda. Last week, Tanzania admitted moving into a strip of Ugandan territory, in hot pursuit of invading Ugandan troops but has denied attempts at in-

## Negotiable Floating Rate Certificates of Deposit. Maturing 27th. November, 1981.

10

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**Dividend Notice** 

The Board of Directors of Republic New York Corporation has declared an increase in the quarterly dividend from 38¢ per share to 50¢ per share payable April 1, 1979 to stockholders of record March 15, 1979.

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## **Opposition** re-groups against Somoza

By Hugh O'Shaughnessy

THE NEXT bout of civil war should not be long coming to Nicaragua. In the months since August and September when four decades of dictatorship by the Somoza family was smothered by the National Guard of the President, General Anastasio Somoza, there have been few signs of compromise or reconciliation between the Government and the governed.

General Somoza has been unwilling to make any concessions to popular demands that he should leave the presidency and make way for a democratically elected government. The opposition, which includes all currents of political opinion from the conservative to the Marxist, for its part is equally adamant that he must and will go.

The never very promising operation mounted by the U.S., Guatemalan and Dominican governments to mediate between the General and his opponents looks as though it has finally expired having achieved nothing. The mediators have gone home and no one knows when-if ever-they will return.

The opposition is, meanwhile. regrouping itself politically and militarily. Out of the mass of splinter opposition groups that Nicaragua's tiny population somehow throws up the Group of Twelve business, professional and thurch people is trying to weld a coherent force.

#### Group of Twelve

The Group of Twelve who occupy a democratic centre-left position and who are in close touch with the Sandinista guerrilla movement are the most popular political group in the country. They are now hard at work trying to put together a Patriotic Front which would include Conservatives, Liberals, Christian Democrats and others who seek an emergent democracy in this tortured Central American republic. Such a front would present itself as a realistic alternative to four decades of Somoza rule, seek international acceptance and coordinate an international boy-cott of the Somoza regime.

The Twelve argue that Somoza's position would be unde impossible if, for instance. an oil embargo was instituted against Nicaragua. Though they acknowledge that U.S. action against General Somoza in the International Monetary Fund and the international capital markets has seriously weakened his position they argue that Washington bas moved too slowly, and too late against

tweize meanwhile are considering establishing themselves more formally by starting a Sandinista Party, named like the guerrilla movement, after a nationalist leader of the 1920's and 1930's who resisted the U.S. occupation of Nica-ragua and who was killed in treacherous circumstances by President Anastasio Somoza, founder of the dynasty and father of the present head of

### Sandinista factions

Few-realists however think that Somoza will be ousted by political manoeuverings alone. The Sandinista guerrillas, who are divided into three differing factions, have done their best to sink their differences and have reportedly retrained and rearmed for another hout of fighting. Despite U.S. attempts to dissuade them, a number of Latin American governments, including notably that of President Carlos Andres Perez of Venezuela, have been aiding the guerrillas. The Sandinistas have also benefited from the ment to acknowledge that the Sandinistas are in their majority political pluralists and not the Markist-Leninists that Havana would like them to be. Havana's help to the guerrillas, though not crucial, is useful to

## **MAPCO IS** LP-GAS, BUT...

225 MAPCO-owned and distributor-owned Thermogas brand retail LP-gas outlets also sell appliances and liquid fertilizer in 11 states. MAPCO also produces and markets oil, natural gas, gas liquids and coal, operates LPG and anhydrous ammonia pipelines, and produces and sells sonic instrumentation devices, filtration equipment and other water pollution control roducts.

For a closer look at MAPCO's diversification and profitable

## Defence chiefs play down | U.S. move to Renault may supply car cancellation of Iran orders Communist

BY STEWART FLEMING IN NEW YORK

U.S. DEPENCE DEPARTMENT officials yesterday over the revenue could affect McDonnell impact of a cancellation on Douglas, which is likely to see an order for 16 R.F. 4 E is pointed out that the U.S. reconnaissance aircraft cancellation of \$80 of orders for the staking 1.388 of the aircraft batch for Iran, of which 200 cellation of \$8bn of orders for military equipment from U.S. companies.

about the effect on the U.S. balance of payments, since military sales to Iran have hulked large in the positive trade balance with that country. It has been suspected for some weeks that several major orders for military equipment would probably be cancelled, chiefly the \$3.2bn order for F-16 fighters from General

Dynamics. Between 1980 and 1983, 160 aircraft were due to be delivered, and a follow-on order for another 140 had been expected. So far only 50 aircraft had gone to contract. Aerospace analysts, such as Mr. Alan Benasuli of stockbrokers Drexel, Burnham, Lam-

It is pointed out that the U.S. is taking 1.388 of the aircraft and 347 more are expected to be sold in Europe and 75 in Israel. Canada is also considering a substantial fighter aircraft order, and could buy the F-16. Deliveries could simply be diverted to other countries.

Contracts are with the U.S. Defence Department Foreign Military Sales Office, which takes payments in advance from foreign nations ordering equip-ment. It also holds a trust fund from Iran, now totalling \$660m, to cover the costs of cancellations and subsequent disposal of equipment.

Defence Department officials which Iran was expected to buy for \$1.1bn may also besold elsebert in New York, agreed with Government and company

The most immediate loss of

batch for Iran, of which 200 have already been delivered.

The contract is worth \$175m. the company says, but since 5,000 of the F-4 Phantoms have already been delivered, can-cellation would have only a slight impact. It is estimated that Iran has

bought or ordered \$20bn of U.S.

military equipment in recent year. Iran could now virtually disappear as a customer.

Last year, moreover, military exports to Iran are estimated to have accounted for about a third of the U.S.'s \$3.4bn export earnings from Iran and the

figure was rising sharply.
U.S. export sales are likely suggest that the seven Airborne
Warning and Control System to slump sharply, but the U.S.
(AWACS) aircraft from Boeing will have to replace the \$30n will have to replace the \$3bn of oil, or 5 per cent of consumption, it imported from Iran with oil from other sources, unless it can cut consumption.

## Trudeau gives in over dollar

BY VICTOR MACKIE IN OTTAWA

MR. PIERRE TRUDEAU, the conference to be held within ference will continue for two Canadian Prime Minister, has three months, amid reports that days and may provide a spring-capitulated to Opposition a consensus could exist over a board for the Prime Minister to capitulated to Opposition a consensus could exist over a demands that the Governor of few of the issues. The contribe Bank of Canada be called before a committee investigating the serious decline of the dollar.

Mr. Joe Clark, the Opposition leader, led three days of attacks on Mr. Trudeau, who had refused to allow the Finance Committee to look into the dollar's decline, offering instead a debate in the House of Commons.

Yesterday Mr. Trudeau gave in and Mr. Gerald Bouey, the governor, will appear for three hours today to answer questions on soaring interest rates and the

Yesterday Mr. Trudeau met ten provincial premiers at the second constitutional reform



Mr. Joe Clark . . . wins

few of the issues. The con-call an early general election, perhaps in April.

Mr. Trudeau yesterday bitterly condemned the separatist Parti Quebecois government of Quebec. He accused it of preparing to perpetrate a swindle in the province's referendum on independence, expected next year.

A separation from Quebec would mean the end of Canada. with the other provinces falling into the lap of the United States," he said. "I think that inevitably and sooner rather than later, the constituent parts of Canada would fall back into their north-south axis . . . and would fall into the American lap."

## Changes in new strip mining law

BY JOHN WYLES IN NEW YORK

THE DEPARTMENT of the In- won the acclamation of environ- environmental looby, sensing a terior is expected to publish mental lobbies.

new regulations for the strip

The Department of the Inright of the White House to inmining industry later this terior first published proposals terfere in preparation of the month which will partially last September which spelled regulations, but were defeated. reflect the tensions within the out coal mining companies'

uniform environmental stan-ious to attack the inflationary dards for strip mining, under impact of federal regulations, the Surface Mining Control and had voiced strong criticisms. Reclamation Act of 1977. The legislation, passed with much fanfare from the White House, the cost of coal by 1985. The its responsibilities

regulations, but were defeated. Last week the Office of Sur-Administration between enresponsibilities for restoring face Mining produced new provironmentalists and economists. land after strip mining. But it posals, which should become
The regulations are the first emerged early last month that final later this month. They
attempt to establish minimum
White House economists, anxtend to give companies more lattitude in achieving the goals laid down by the legislation. Environmental activists have They claimed that the regula-tions would add \$2bn a year to Interior is shying away from

## 104 die in Farmers' tractorcade disrupts Washington

rises has in the past year

farmers have slackened. Presi-

dent Carter raised the target prices for some grain commodi-

ties slightly last autumn, but

of inflation, and the improve-

ment last year in farm incomes. These increased, with the help

of a bumper 1978 corn crop, to

a net figure of \$28bn. 1977 was a bad year, and that

farmers' incomes are well down

BY DAVID BUCHAN IN WASHINGTON

HUNDREDS of trundled early yesterday onto the streets of Washington in a just before the First World War. massive demonstration organised by the American Acriculture Movement, simed at getting the Administration and Congress ot raise farm prices.

The 2,000 strong "tractorcade" severely disrupted morning traffic, and by midday had reached Capitol Hill for a pro-test rally. The AAM, some of whose members had driven their tractors for several weeks form Texas and California, vowed to keep the tractors in Washington until it achieved its

Its chief demand is the raising of farm commodity prices AAM spokesmen argue that to 90 per cent of parity. This from the \$33bn level in the is a measure of where record year of 1973.

#### **Brazil flood** CONTINUAL RAIN for 25 days tractors farmer's incomes were in relation to those of other workers Concern about food price

has caused heavy flooding in Brazilian states of Minas Gerais and Espirito Santo, with a death toll so far of 104, and 55,000 left homeless. A state of "public calamity" has been increased both in the Administration and in Congress, as political pressures to help the declared in 140 towns in the two states.

Damage to property, not counting agricultural losses, is estimated at 1bn cruzeiros (£25m) in Minas Gerais, and made it clear he intended to take no further action in view cruzeiros in Espirito Santo.

The areas worst hit so far are the valleys of the rivers Rio Doce, Jequitinhona and Sao Francisco. The latter has reached within 60 centimeters of the fop of the important Tres Marias dam, whose sluice gates have been opened, aggravating the problem downstream.

## U.S. considers oil swap

BY DAVID LASCELLES IN NEW YORK

THE DEPARTMENT of Energy a like amount of Mexican oil an opportunity for a new debate may ask Congress to approve exports to Japan being shipped on controls, exports of Alaskan oil to Japan, to the U.S. Apart from saving If the plan under a complicated swap arrangement with Mexico, to drain the oil surplus on the U.S. West Coast. The department is still cautious about the plan, and will say only that Alaskan oil exports are "under

The law on oil exports is strict, and all shipments must receive Congressional approval, generally refused because of the II.S. oil deficit. Thus Alaskan oil, now produced at a rate of 12m harrels a day, must be consumed domestically, even die button system.

Borning of environmental chieffors, there is no major riveline to take the oil from the Pacific to the central U.S. and across to the East Coast, where demand is greatest. So oil is piling up in California or being transported to the east at towards the idea. great cost through the Panama

some Alaskan oil would be the Export Administration Act, production average for the full shipped to Japan in return for

both the U.S. and Japan thousthis would rationalise the flow of energy from supplier to consumer, along the lines of the gas swap agreement involving Iran, the Soviet Union and West

to clear several hurdles. Congress has been hostile to exporting U.S. oil when the U.S. imports nearly half its total consumption. However, the consumption. However, the department believes Congress is now less opposed than it was

Mr. James Schlesinger, the Energy Secretary, same testimony to the Senate Energy testimony to the Senate Energy testimonth: "We have tried to soften Congressional resistance to such swap arangements," and several Senators indicated that they were more favourably disposed

Of the two pieces of legislation which restrict Alaskan oil exports, one, an amendment to 2.2m barrel-a-day ceiling as a will expire in June, providing year, to conserve reserves.

If the plan were to go shead it would raise questions about ands of miles in transport costs, its effect on British Petroleum's majority - owned subsidiary Sobio, which is the major Sohio is seeking approval for a pipeline from Long Beach,

California, to New Mexico, to But the proposal would have carry its oil east and avoid the costly Panama route. would presumably be affected if the oil was re-allocated to Japan. However, the department's pro-posal may specify that only oil in excess of present production should be exported, meaning that Sohio's plans would not be

AP adds from Caracas: Vene zuela's oil production, on which it depends for nearly 95 per cent of export earnings, continues at a high level early in 1979, according to the Energy and Mines Ministry. Average daily production this year up to January 30 was

2,262,685 barrels. The Government has set a

# trading

By David Buchan in Washington LEGISLATION allowing the U.S. to grant tariff and trade between the Soviet Union and China was proposed yesterday by Senator Adlai Stevenson, chairman of the Senate banking sub-committee on international

The 1974 Trade Act. under the Jackson-Vanik Amendment, bars most favoured nation tariff bars most favoured nation tariff treatment or Export-import Bank credits to Communist countries that do not allow free emigration. The Carter Administration believes China's emigration pulicy is liberal enough to pass this test. So do certain key members of Concertain key members of Con-gress, including Senator Henry Jackson, one of the original rescriction's co-sponsors.

Senator Stevenson, arguing that an even handed policy by the U.S. towards Russia and China might prevent the exacer-bation of tensions between those two countries, has proposed modifying the language of the Jackson-Vanik Amendment to give the Russians the trade credit and tariff concessions promised them in 1972 by the Nixon Administration, but since withheld by Congress.

The Stevenson Bill, which has the Administration's tacit sup-port, would allow President Carter to waive the trade restrictions if he "determines" Soviet emigration practices are satisfactory. Jewish emigration from the Soviet Union has recently increased, with 5,000 leaving in December alone.

Senator Stevenson has also proposed a \$2bn ceiling on Export-import bank loans and guarantees to any one Com-munist country. Under current law, there is a limit, albeit notional of \$300m on Export-import bank credits to the Soviet Union, while there is none for

MFN tariff status and Eximbank credits for China would form part of the trade agree-ment, which Mrs. Juanita Kreps, the U.S. Commerce Secretary is to negotiate in Peking in April. Credits, both Government and commercial, and tariff conces-sions, to allow the Chinese to increase their hard currency export earnings, are considered essential if China is to be able to pay for all the technology the U.S. is hoping to sell it.

Bahrain hospital

IBIS Medical, a British hospital contractor, yesterday handed over on schedule a £9m 129-bed military hospital at West Riffa for the Bahrain Defence Force. The hospital is 90 per cent British equipped. IBIS was backed in the project by consulting engineers Alistair McCowan and Associates, and YRM International, as architects and planners.

# engine parts to S. Korea

ment to supply parts to the expanding South Korean motor industry.

The group has been asked to tender for the contract by Hyundai Motor, the Korean company which went into pro-duction with its first vehicle, the Pony, about two years ago.

groups, which followed similar talks between Hyundai and Volkswagen of West Germany, are connected with the decision of the South Korean company to expand its car building activi-

RENAULT. THE French motor invest in a new plant capable company, is looking into the of producing vehicles at rates possibility of a licensing agree-close to the norm of the Western within the next few weeks, follows a year of intensifying European or Japanese industries of about 300,000 units a year. Some 150,000 of these

vehicles are expected to he

aimed at export markets. The new car will be basically designed in South Korea, unlike the Pony, which was styled and conceived by Western European More recently it has signed mainly engine components to

It is not clear as yet what the although in the past they have

Hyundai.

The departure of Renault's within the next few weeks, follows a year of intensifying activity for the French group

overseas. In this period plans have been announced to double its manufacturing activities in Turkey and Mexico, and to develop the

More recently it has signed an he Pony, about two years ago. specialists. But Renault says agreement in the U.S. which Contacts between the two that it will be putting together will give it access to the Ameriproposals for a project to supply can motor sales network, even tually leading to the assembly of its ears in North America.

The next logical step in this Koreans are planning for the development overseas would be mechanical units of the car, in the Far East where much of in the Far East where much of the growth of the world's motor According to reports from bought in designs and parts industry is expected within the Korea, Hyundai is planning to from foreign manufacturers.

## 'Rent-a-Rolls' scheme for Japan

ROLLS-ROYCE Silver Shadows

Silver Shadow will be available for a rental charge of Y50,500 including a basic rental charge of Y50,000 per half day (£125) of ¥50,000 per half day (£123) Rolls-Royce always thraws after the part of the sales of the part of the part

costs Y13,000 for half a day. The company has calculated The company has calculated Meanwhile, a survey by to 2,107 and 1:350 respectively, the rental rate on the premise Toyota Motor Sales shows that This sizeable growth is altrithat the price of the cars will be recouped in five years time, at an operating rate of 50 per cent.

Toyota atotor sales snows that this size of imported vehicles, buted in part to the efforts made by British Leyland and Citroen in 1978 rose 20 per cent to a to reinforce their sales networks record 50,374 from 41,821 in in Japan.

A private real estate company Hayashida Kosan has bought five new Silver Shadows costing Y20m each (or about £50,000) through a Japanese importer Cornes 2000 considers the venture profitable and 35.161 European cars, up 34.1 per cent.

Kumaichi Som for maintenance of the cars, the company still per cent from a year before, and 35.161 European cars, up 34.1 per cent.

Factors behind the cars the venture profitable and 35.161 European cars, up 34.1 per cent.

Factors behind the cars the company still per cent from a year before, and 35.161 European cars, up 34.1 per cent.

Despite the large investment, 1977, based on new car registra-including V100m for purchasing tion statistics, Reuter reports.

president of the rent-a-car cumpany, himself a Silver Shadow against the U.S. dollar, and the
owner for the last three years
said "because it is a rare car
in Japan (only 400 vehicles) low-volume sales policy. Toyata
tion and envy which satisfies the

It added that the sales of British and French vehicles in

## Islamic defence conference opens

BY ANTHONY McDERMOTT

THE OPENING yesterday of the because of "some pressing comfirst Islamic defence conference mitments at home, at the Heathrow Hotel, London, This was followed at the neathrow Hotel, London, attracted a strong interest in by Dr. Necmettin Erbakan, a ranged from bullet-proof voits military sales. A total of 19 former Deputy Prime Minister to missiles and advanced of Turkey and leader of the useralt.

U.S. and South Korea are represented at an arms exhibition Salvation Party.

Constant themes in the magazine of the stitute of Defence Technology, the conference, which ends on Friday.

The conference, at which 17 Islamic countries (notably not Iran) were represented. was opened by Mr. Salem Azzem, the Saudi president of the Islamic Institute of Defence Technology. set up last year.

His speech was followed by a advanced technology, and that message from General Zia al Islamic countries needed strong Haq, the Pakistani President, defences to preserve social who was unable to attend stability.

sented a united front in oppos-

the Australian fares policy.

There clearly is an identity of

commercial interest between

.But the Australians have

concerned

register a strong profest with authorities.

countries

the five nations.

ing-without much success-

This was followed by a speech display.

be greater Western understanding of Islam and the recent Islamic resurgence; that there was no need for apprehension at the Mosiem world and the West especially in the field of advanced technology, and that

Scotland Yard forbade detailed reporting of the arms However, exhibits

the estimated defence spending in the 1978-79 budget of 42 Moslem listed amounted to \$36.3bn (£18but, of which Saudi Arabia, Iran, Egypt, Nigeria, Turkey, Indonesia, Syria, Iraq and Pakistan accounted for about 80 per cent. No less than 10 Swedish companies were represented, and

Ferranti was the bost-known

British company there.

## LOW AIR FARE CONFRONTATION

## Qantas-BA duopoly angers ASEAN

EXTRA CHEAP advance excursion air fares between Australia and the UK and the west coast of the United States began on February 1.

But this step towards the liberation of Australia from the tyranny of distance has upset its relations with its South East Asian neighbours. Australians have been quite

taken aback by the storm that the new deal has triggered from the five ASEAN nations led by Singapore. It reflects, and could influence, significant developments in international civil aviation partly spurred by "Lakerism."

The ASEAN nations, notably Singapore, are worried at the effect of the new fares in their own airlines and on their tourist traffic originating from Austra-lia. Specifically they charge that the new low fare arrangements are:

 Highly protectionist in that third country carriers are ex-Thus Qantas and British Airways have a duo-poly on the low fare Australia-UK route. This will cause ASEAN carriers to lose much of the traffic that they handle at

That because the new fares do not allow stopovers, South East Asian countries will lose much of the tourist business they currently gather from Australians staying for a few days in Asia en route to the

Although they prefer not to say so too loudly, the ASEAN countries, especially Singapore, are as much concerned at the spread of the principles in-volved in the new Australia-UK arrangements as they are about the Australian traffic itself. A combination of consumer

national carrier protectionism and technical developments in aviation may be combining to erode the advantages that South East Asia enjoys as a link between east and west, north Exploitation of this link has

least as concerned with the airline business per se. Some of the partners are also privately critical of Singapore's sharp reaction to the present

There have been threats of retaliation and calls for boycotts of Australian goods. Indeed, Singapore ministers, who normally treat third world sentiment with some distate, have been saying this is a north-south issue and that Australia be "exposed" at UNCTAD.

Singapore is about the last country which would cut off its nose to spite its face, but the amount of noise it has been making illustrates how important it feels the airline business is to

### Defensive move

The origins of the dispute lie in the political pressure for low fares that "Lakerism" generated in Australia. A new cheap fares policy put forward last year by Qantas was essentially a defensive response to Laker.

could at one stroke keep out return. Such a structure would Laker himself and at the same almost inevitably result in time win back some of the traffic which it had been losing helped the rapid growth of regional carriers and to a lesser degree, tourism itself. to other carriers.

British Airways was also more Up to now ASEAN has pre- that neatly carved up the traffic. structures with European sive local farcs.

duced a cheap fare deal confined to national carriers, a duopoly The Australian move looks that is a blatant example of air line protectionism. It is also a direct assault on third country carriers offering better in-flight

been trying to exploit some service and non-IATA perks. potential divergence of interest For public consumption at between them, notably between least ASEAN has been making more of a fuss about stopovers

So Australia and the UK pro-

Residents in the seaside resort of Port Dickson, in Malaysia. 110 kilometres south-west of Kuala Lumpur, have complained about sonic booms which, they say, are caused by Concorde aircraft passing ever the Straits of Malacca between Singapore and London. In a telegram to the Friends of the Earth Society of Malaysia, a Port Diekson resident urged the FESM to

mainly with tourism and those than about airline exclusivity. - principally Singapore Some see this as a shrewd move by Singapore to keep the support of its partners who are probably more concerned with tourism than traffic rights.

There is nothing new in stopovers not being allowed under advance purchase excursion fares. That has applied on the Australia-UK advance purchase fare which has been operating since 1977.

What is causing the row is that the new advance purchase fare is now so much lower than the normal excursion fare, which allows limited stopovers on payment of additional fees, that stopovers will become relatively much less attractive unless these fares are also

Discussions have been going on between Australia and the UK on new stopover excursions. But any agreement will also to involve the ASEAN countries concerned. An interim the longer run an entirely new fares basis may have to be found

Australia is arguing that the stopover fare should consist of two end-to-end cheap excursion aker. fares—say, Sydney-Bangkok But the airline saw that it return plus Bangkok-London almost inevitably result in passengers having to pay a substantial stopover premium.
It would also mean that

countries, who in turn might also demand duopolies.

quite shrewd. It is forcing the ASEAN nations to talk about lower fares. At the same time, by pushing the duopoly concept. is hoping to soften ASEAN solidarity. Some ASEAN airlines might benefit from such an arrange-

ment. At the same time, unless

the ASEAN nations can agree

e common policy with the Australians they will all luse tourist traffic growth because of the Australian tourist preference for multi-destination tours of South East Asia, ASEAN is likely to maintain its superficial unity on the aviation issue. It has invested

too much of its own credibility not to do so. But it is on the defensive. The omphasis now in inter-national civil aviation is on low cost, high volume end-to-end traffic. It is a trend that is being accelerated by the appearance of very long haul

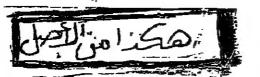
## Aviation centre

Singapore is not going to be by-passed completely. Airlines still have to refuel somewhere. Facilities in Singapore are excellent and will be better still when the new Changi Airport opens in two years' time.

Bangkok is anxious to win back some lust ground as a regional aviation centre, especially as aircraft can once again overfly Indochina. But it has its drawbacks, including peaktime overcrowding.

But the Laker revolution as modified by national carrier protectionism is altering the fundamentals, it is eruding the easy growth conditions that South East Asian airlines have enjoyed in recent years on intercontinental routes.

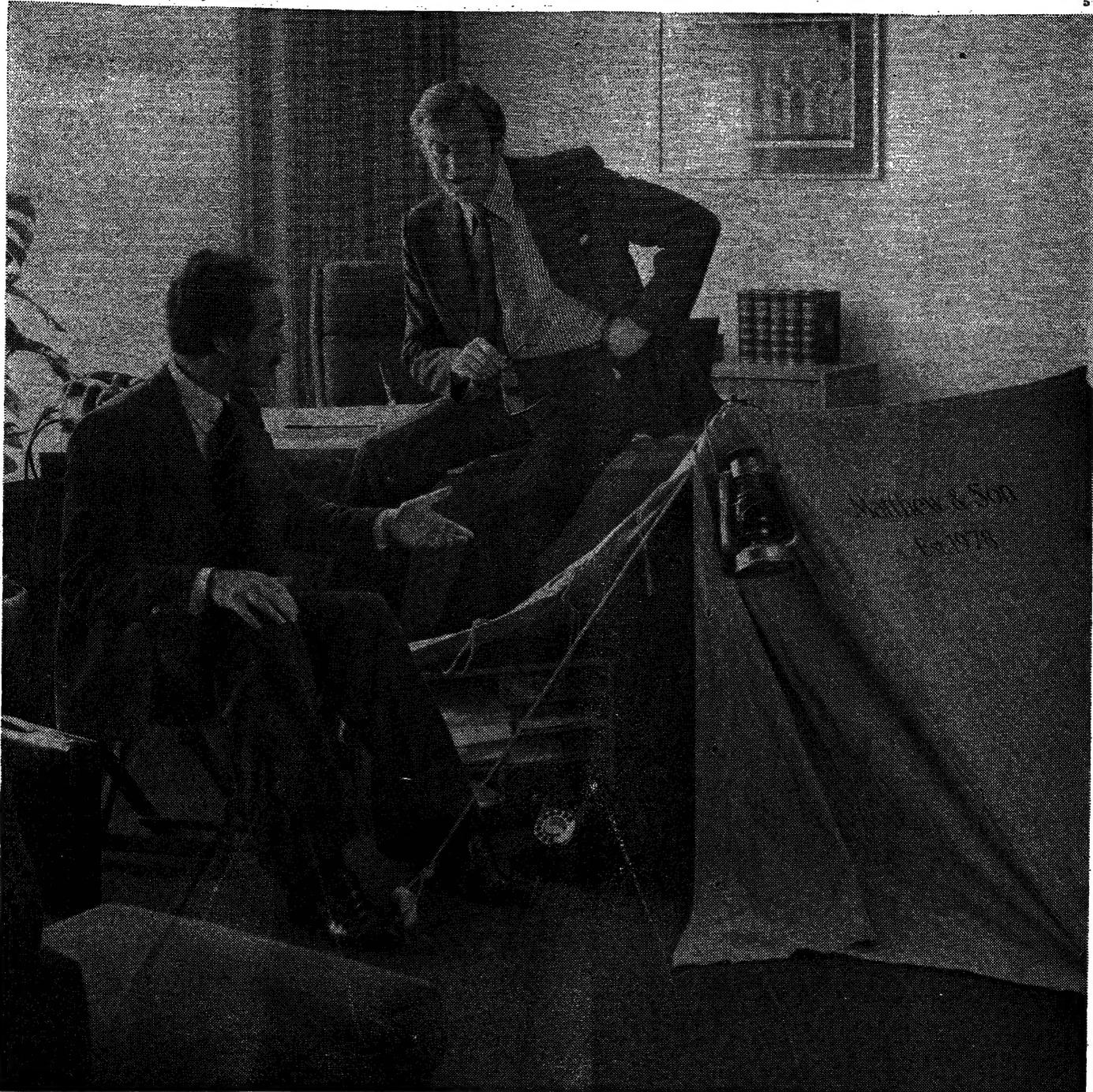
If they are to continue to grow as rapidly as in the past. they may need to concentrate more attention on their own backyards where "Lakerism" is badly needed. Australia and ASEAN countries would have to one aviation charactristic in than content with a proposal negotiate their own low fare common—inordinately expen-



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Financial Times 'tuesday received to zero



# A loan from your NatWest bank manager will improve your business premises.

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## New oil hope in North Sea find

By Kevin Done, Energy Correspondent

PHILLIPS PETROLEUM has boosted the prospects for the commercial development of its Toni/Thelma oil find in the North Sea with encouraging re-sults from the latest appraisal

The well, the seventh to be drilled on block 16/17, close to the median line with the Norwegian sector, flowed 3,012 bar-rels of oil a day in one test along with 5.28m cubic feet of

a gas. The results were less conclusive than had been hoped, how-ever, because later tests had to be abandoned due to a lack of vital safety equipment. Hydrogen sulphide gas was present as well as natural gas and crude oil when a higher rock stratum was tested, but the drilling rig, Pacesetter One, lacked the equipment to test the find

safely.

Block 16/17 is proving to be one of the more geologically complex areas of the North Sea and Phillips has decided to press straight on with a further appraisal well, the eighth on the Toni/Thelma find.

The seventh well was drilled to a depth of 14,970 feet. The crude oil was tested in the Middle Jurassic rock stratum, the same zone that produced oil from tests in the fifth and sixth wells, which flowed at 4,000 and 2,957 barrels of crude oil a day and 20m and 1,26m cubic feet of gas a day.

The rig ran into difficulties on the latest well when it tried to test the shallower primary Upper Jurassic stratum. This was the level which produced highly promising flows from the earlier Toni and Theima wells of 16,100 and 10,000 barrels of

Hydrocarbons were produced at this level too in the latest well, but the presence of the hydrogen sulphide ruled out more conclusive testing.

Phillips, with a 35 per cent interest in the block, is operator for a group that includes Petrofina, 30 per cent, Agip, 17.88 per cent, Century Power and Light, 8.6 per cent and Oil Exploration (Holdings)

## Inmos offered nearly 100 sites for factory

NEARLY 100 local government components bodies are competing to offer sites for the first UK factory of Inmos, the National Enterprise Boards micro-electronics subsi-

Local councils and regional development organisations are vying to produce a combination of attractive sites, financial in-ducements and political pres-sure. The prize is 1,000 jobs, which the factory is expected to create when it starts produc-tion in two-and-a-half years'

The company expects to be offered a choice of 150 possible sites in about 100 separate sub-missions. Interest and political feeling have been running so high that Inmos has been per cent of the cost of setting obliged to extend the deadline up the factory. The Tyne and for receipt of submissions. The Year Act, 1976, allows the counclosing date set by its con- cil to offer a factory rent-free sulants. PA International, was for up to five years, with rate originally February 10, but it has been extended by "up to

Inmos was established by the NEB last year to mass-produce electronic micro-circuits for the international market. It is expected to concentrate in its earliest phase on high density administration manager, how to the UK.

components for computer ever, took a cautious line yes-memories and on micro-terday on the selection. He said computers. In the longer term the 150 possible sites would the company says it hopes to have to be reduced to 10 or 20 provide 4,000 jobs in four for closer analysis. He expected factories in the UK. The fund- a final choice between May and ing of Inmos is expected to June.

Tyne and Wear County Council and the five metropolitan district councils in the area. The 200-page submission offers eight possible sites which are all said to be "tailored to the requirements of Inmos."

Tyne and Wear is also offerunique financial inducement. which could give Inmos a subsidy of about £9m, or about 30 and interest relief and subsidies for land acquisition.

Mr. Michael Campbell, chairman of the council, says the submission makes an "irrefutable case for Inmos to locate its pro-duction units in this county." Mr. Brian Stevens, Inmos's

each a peak of £50m. The great interest shown in The latest submission is from Inmos by local councils is in some ways surprising, because semi-conductor plants are highly automated and provide relatively few jobs for un-skilled labour. The crucial requirement of Inmos will be for highly skilled scientists, technicians, and computer operators.

Such experts are in short supply in both the UK and the U.S. Inmos will therefore need to locate its plant in an area attractive to well qualified graduate scientists. It has already announced that

its UK headquarters and technology centre will be in Bristol. A site near Bristol for its first production unit would, therefore, be convenient.

The company's pilot produc-tion will start in Colorado. U.S., in about 15 months. Mass production will then be transferred

## Groups welcome Belvoir inquiry

£500m mining complex for the late 1980s, have welcomed the announcement of a planning inquiry, and the choice of its chairman, Mr. Michael Mann,

ENVIRONMENTAL groups in where each issue thrown up one site in the Vale rather than, the Vale of Belvoir, where the by the development is dealt as is presently planned, at a National Coal Board plans a with in sequence — which has variety of sites, including posbeen adopted for the inquiry.

It is likely that the groups, who have retained legal reprewant to add to the list of topics

sibly Nottingham and Leicester. sentation and expert advice, will centre of the planned develop-

The groups say that the village of Hose, which is in the ment, has adequate facilities for QC. at the pre-inquiry meeting, the inquiry, and that its choice as a site "is only fair to all the would be sympathetic to the "topic by topic" approach— for the inquiry to be held at authorities involved."

## P and O ship sales cost 150 jobs

Steam Navigation Company last year as a direct result of the sale of ships.

P and O sold seven of its 20 general cargo ships last year. Total sales, including the sale

A further 90 jobs were lost mic life within P and O. through natural wastage. There may be more sales of un-

OVER 150 officers and shore of the 29,871 gross registered 12,000 deadweight tons, were staff were made redundant by tons cruise ship Arcadia for over 18 years old and had the Peninsular and Oriental scrap, raised at least £25m.

The new container ships entering service with shipping economic ships this year, but lines are between three and 1978 was regarded as a peak four times as efficient as older Some of the ships, of about general cargo vessels.

# Frozen Peas Dried Peas Processed Peas Mushy Peas

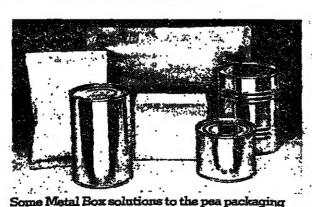
## Packaging for convenience in a variety of materials; it's Metal Box's business.

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## Second mortgage business for UDT

By Michael Lafferty, Banking Correspondent

THE independent finance house. United Dominions Trust, which is still receiving support from the Bank of England's "life-boot" fund, is entering the second mortgage business.

UDT will now lend amounts of up to £10.000 for genuine home improvements, and repayments can be spread over a period of up to ten years. Loan interest will be charged on a monthly basis against the reduc ing balance on the loan account The initial rates will be 1.8 per cent per month for secured loans—giving an annual rate of almost 24 per cent—and 2 per cent per month for unsecured

One of the features of the package, which is called the CDT Loan Account, is a guarantee that interest rates will not go higher for the first year of any loan. In addition, should a borrower die during the period of the loan. UDT will cancel the outstanding balance under a life assurance scheme.

The move comes shortly after another leading independent finance house, Lloyds and Scottish, entered the second mort-gage business as a result of its purchase of Cedar Holdings. UDT said yesterday that after

reappraising the market it had decided that second mortgages was "a good business in which they should be involved."

## New effort to save Kirkby

By Our industrial Editor

NEW attempt to save the Kirkby Manufacturing and Engineering workers' co-operative from closure is to be tried after a meeting yesterday between the co-operative's leaders and Mr. Alan Williams, Minister of State for Industry.

The Government last week rejected a request for up to £6m in loans and grants to maintain the co-operative's central heating radiator and other The co-operative's leaders are

considering submitting a fresh application based on financial help from the private sector as well as the Government. The aim would be to preserve the co-operative structure.

## 'Silver bankers' petition hearing date

EVIDENCE IN the Department of Trade's petition for compul-sory winding up of "silver bankers" Kendal and Dent is expected to be completed in time for a full hearing on Febru-ary 26, the Righ Court heard

The petition was first before the court on January 22. Its allegations, including insolvency, are all denied by the company.

Last week, applications by

the company for the discharge of the Official Receiver as provi-sional liquidator and for leave to resume trading, pending the hearing of the petition, were adjourned until next Monday

## Steel users want BSC to shut high-cost plants

THE GOVERNMENT'S hand-ling of the nationalised sector of the steel industry has been strongly criticised by steel users. Their statement will be deligated to the National of the British Iron and Steel delivered to the National Economic Development Council's industrial strategy meet-ing chaired by the Prime Minister.

Minister tomorrow. The British Steel Corporation is finalising further plans for closing unwanted steel plants among its group of high-cost works—Bilston, Con-sett, Corby and Shotton—and may announce proposed cuts in the next few days.

But the steel industry's customers fear that the cuts will be diluted by fierce union opposition to job losses within

the corporation.

The Cabinet is not prepared to assume direct responsibility for shedding thousands more steel jobs by having the Department of Industry take control of a new steel closures

past year, the Government has steel-using industries insist upon so far avoided industrial maintaining "second source" suppliers from the Continent as all closures with the unions at an insurance. jobs have been shed within the plant level.

industries are now claiming unless the competitiveness of that the BSC would have no British Steel is increased their difficulty in increasing its businesses will be weakened and market share at home and the whole UK economy will

Sir Richard Marsh, chairman of the British Iron and Steel Consumers' Council—which in-cludes the motor manufacturers, the civil engineering companies. the can-makers, the forgers, and the process plant manufac-turers—introduces a closelyreasoned argument for rationalising British Steel.

The Government has been told: "BSC's undoubted poten-tial must not be wasted as a result of the maintenance of outdated attitudes and the preservation of old, high-cost facilities, to the long-term and the damage not only of the steel industry but also of its custo- from pl mers and the economy as a

#### **Problems**

neet jobs by naving the Department of Industry take control of a new steel closures of the production problems a few years ago, the BSC has been programme.

Although 17,000 steelmaking per cent of the home steel per cent of the home steel market. A number of the higger

The stee users accompany Companies representing about their new analysis with 2 warn-half of Britain's steel-using ing to the Government that

suffer. They claim to employ 20 times more workers than the BSC.

Their criticisms include: • All EEC countries, except Italy, have cut their steel in-dustry manpower by more than Britain since the anset of the

steel crisis in 1975. Britain is the only FILE country in which labour productivity in the steel industry declined between 1976 and 1979. British steel industry hourly labour costs are the lowest in the EEC but, over a wide range of products, BSC's prices are among the highest in the Com-

· Continuing Moour disputes, and the threat of them, discourage steel-using industries from placing greater reliance

upon UK sources.

The consistency of quality in some BSC goods—notably strip mill products — is still below that consumers can obtain from overseas suppliers.

British Steel does not have

the facilities to supply the qualities of steel that consumers need in some products such as heavy plate.

The industries represented or the British Iron and Steel Consumers' Council want the new Government industrial strategy to take into account their argument that the nationalised steel sector's potential must not be wasted as a result of outdated attitudes and the preservation of old, high-cost facilities.

## Shops spending more buoyant than expected

FINANCIAL TIMES REPORTER

SPENDING IN shops was even more buoyant in December than estimated provisionally by the Trade Department.

Final figures show that trade increased by 3 per cent between November and December, instead of the 2.8 per cent

between November and December, instead of the 2.5 per tent rise estimated provisionally. The largest increases were in the clothing and footwear sector, where volume was up almost 10 per cent. The sales of durable goods were ahead by 4 per cent after having dropped steadily since the summer.

Figures from the department yesterday, showed that the final index of volume of retail trade in December stood at

The December figures appear to have been influenced by the tax-free bonus for pensioners and the back-dated reduction

In the fourth quarter of 1978, the volume of retail sales was 1 per cent higher than in the previous quarter. The average level of kade during the very see a whole the sales

51 per cent above the annual average for 1977.

Indications that growth is slowing down or levelling off come in the monthly figures for hire purchase and instalment credit, also released by the department yesterday. Lending by finance houses was lower in December than in recent

months, while lending by retailers is back at October levels.

Finance houses and retailers advanced \$449m of new instalment credit in December, after allowing for seasonal factors. Total advances in the fourth quarter of 1978 were about the same as in the third quarter. Lending by finance houses increased by 3 per cent between the two quarters. Lending by retallers decreased by 3 per cent.

## HIRE PURCHASE GREDIT AND RETAIL SALES

	٠	•	(Sessonally	adjusted)		
		New credit		Total debt outstanding		Volume ised) Durab good
٠.	·	. Houses	Retailers	(unadjusted)	Total	shop
		€m	. £m	- Am	(1970	=100)
1976 1	st: :	. 340	493	2.349	105.9	117
	nd	382	490	2,424	<b>706.7</b>	122
. 3	rd .	392	. 521	2,516	107.2	125
4	th	. 421	547	2,716	106.1	126
1977 1	St	457	550	2,792	103.3	715
	nd	. 486 .	561	2,930	102.4	118
	ird	544	. 605	3,708	104.2	121
	th	585	604	3,341	104.7	122
1978 T	st	630	633	3.507	706.4	124
	nď	722	676	3,797	107.9	129
	rd	705	724	4.030	110.7	134
	th '	726	699	4,300	111.7	734
August		. 253	240	3,953	111.7	133
Septem	ber	238	240	4.030	109.6	133
Octobe		243	227	4,109	110.2	132
Novem		263	243	4,238	170.5	132
Domm	her	220	770	4 200	1120	137

#### Faience figure of priest brings £11,500 BY ANTONY THORNCROFT



A STRASBOURG faience figure of l'Abbe de Cour (pictured above), made around 1746, brought £11,500 at Christie's yesterday in a sale of Continental pottery and Italian maiolics which totalled £78,996. Seemingly the only known figure of l'Abbe in existence, it was bought by a Continental collec-

At Sotheby's, Mrs. Elizabeth Bligh's own first edition of her husband's account of the Mutiny on the Bounty fetched £1,100 Top price in the book sale was the £16,000 from a Swiss buyer for Lory's Sourceirs de la Suisse, published in 1829 with 29 hand-coloured prints. A second folio of Shakespeare, of 1632, made £4,500. At Christie's South Kensing-

ton silver sold for £13,197.

## Standards 'will make playgrounds safer'

THE BRITISH Standards Insti-

tution has published two new-standards for the safety of playground equipment. The standards make general recommendations for installa-

tion and give remedies for par-ticular playground hazards. The BSI yesterday explained the problems: "The most fool-proof design will be a failure if it has no play appeal."
Yet successfull playground favourites, which provide comparatively harmless adventure, may present unacceptable dangers without proper siting, supervisition and maintenance Parts two and three of the Parts two and the control standard are now published but Part one—dealing with performance requirements—de-

research programme and will be published later. Part two establishes broad principles for cutting potential hazards, and deals with materials and components. It also limits the possible free fall

formance requirements — de-pends upon completion of a

height from any piece of apparatus to 8 ft. This decision has already affected designs by manufacturers wishing to keep in line with the standard.

Swings present such obvious hazards that until now the only foolproof precaution has been total enclosure and supervision of the swinging area.

The BSI said: "Perhaps the commonest causes of falls are

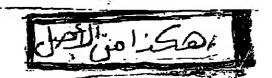
children running into the path of movings swings and falling (or being pushed) from slides. To alleviate this it is recom-mended that swings should be sited on the perimeters of play-grounds and be enclosed by safety barriers. Wherever pos-sible, slides should be of the embankment type."

Manufacturers of playground equipment—following a circular in October from the Environment Department—had already indicated that they wished to co-operate, the institution an-nounced. The Environment Department said that the Government gave aid to many local authorities for play-

grounds. The new standard is not retroactive. But it provides a check list for daily visual

"BS 5696," BSI Sales Depart-ment, 101, Pentonville Road, London, N1, Part 2-£6.40; Part

JANUARY 1979 KONGSBERG våpenfabrikk Multicurrency TERM LOAN US\$ 12.000,000,-Provided by ANDRESENS BANK INTERNATIONAL S.A. DG BANK INTERNATIONAL Société Anonyme HANSE BANK S.A. NORDDEUTSCHE LANDESBANK INTERNATIONAL S.A. ANDRESENS BANK A.S.



## House starts likely to reach five-year low

BY MICHAEL CASSELL BUILDING CORRESPONDENT

private on mortgages and the acquisi- advisory houses started this year is likely tion of suitable land. to be the lowest for five years, according to the House-Builders'

Mr. Donald Moody, president the Government as the first-of the federation, said in Lon-quarter target this year. Lendyesterday that matters looked serious and predicted at around £650 a month, leading that the number of private to as many as 20,000 fewer house starts this year would mortgages for new houses than he as much as 15 per cent below the 1978 figure, about 130,000 compared with an estimate of

He pointed out that last year's last year, while leading restric-government review of housing tions were in force and said government review of nousing policy projected an annual rate of about 170,000 by the end of later this year that would be too late to affect the new house-

The federation attributes the building rate.

Security chiefly to constraints He criticised the joint

Mr. Moody said that building societies were unlikely to lend the £700m a month agreed with quarter target this year. Lending could be expected to remain

He emphasised that builders' onfidence about sales prospects had weakened during most of

## Home buyers pay bigger deposits for mortgages

HOUSE BUYERS are continuing cent in the third quarter, and

Environment calculates that in and 26 per cent up on the same the last quarter of 1978, the period of 1977.

as a deposit, according to homes on which new mortgages Government figures released were approved in the systemator. quarter of 1978 was about £18,050, a 7 per cent increase over the previous three months

average mortgage advance at f10,920—represented only 60.5 per cent of the average house price, compared with 62 per for new homes, the average price at the end of 1978 was £19,550, while for secondhand properties it was £17,770.

## Yorkshire, Humberside job prospects 'uncertain'

BY OUR SHEFFIELD CORRESPONDENT

GLOOMY POINTERS to the services, remaining the economic future of Yorkshire Individual problems in the and Humberside emerged yestereconomic planning

Employment prospects, says is unease at the likely impact of microprocessors; and there is still a shortage of skilled

The report does, however, leaven some of the gloom with "qualified optimism" over the overall time is so cautious that the council has announced two special working parties to look at new jobs and technology,

formance, says the report, over the past few years has been little better or no worse" than the national average. But problems, ranging from declining industries, often with excess capacity, to "shortennings" in housing, health and social

four counties that make up the day in the annual report of the region range from environmental difficulties in West Yorkshire to the need for Government help for South Yorkshire steelmakers facing import competition.

The planning councils chair-

man, Mr. Hernard Cotton, also urged an end to the congroversy over the Humber Bridge, now due to open in 1980. "The time for pessimism is over," he said. His council had asked the Government to set toll charges, which would encourage traffic to use the bridge. It had not debt to be writen of

the planning council remained unchanged, he said. Industrial couraged, the rital communications network of motorways should be completed and the focus on environmental pro-

## Humber Bridge costs up

THE COST of the Humber Bridge has increased by almost £3m to £86.2m at prices ruling at the end of November last year the bridge board was told vesterday.

Mr. Alex Clarke, the board's

chairman, said the increase was wholly due to inflation since the last cost estimate a year ago. The estimated completion

date is now March next year, six months later than previously estimated.

Mr. Clarke said the delay was due to the bad weather and low ductivity.

productivity, although this was now improving. The bridge is now more than two years behind the original schedule when the cost was

estimated to be £27m. The board is also to review its proposed tolls in the light

of the increased costs. Mr. Clarke said that about £1m was still being withheld from British Bridge Builders by Freeman Fox and Partners. the board's consultants, who had not certificated certain work owing to the low level of pro-

## **British Steel workers** paid £25,700 for deafness

suffered noise induced deafness while working at British Steel's Corby works were swarded £25,700 agreed damages in the London High

Court yesterday.
Mr. Peter Weitzman, QC, for the workers, told Mr. Justice Caulfield all their actions had been settled—two of them at the last moment

The judge said that in each case, judgment would be entered against British Steel and Stewarts and Lloyds, now part of the British Steel Corporation. Both had denied.

those ' Among damages were: Mr. James Mc-Grath, of Cransley Gardens, £3,000; Mr. Geoffrey liowiett, of Whitworth Avenue,

Corby, £2,000; Mr. William Moore, of Weldon, Corby Moore, of Weldon, 52,500; Mr. Frederick Howlett, of Coniston Road, Kettering, 54,000; Mr. George Tiplady, of Kettering, £3,000; Severn Way, Kettering, £3,000; Mr. Thomas Brooks, of Derwent Walk, Corby, £1,250 and Mr. Ivor Davies, of Cornwall Road, Kettering, £2,000. All eight men are wagon

builders. Mr. James Walker, a black smith, of Stavanger Close, Corby, was awarded £2,250, and Mr. Cyril Nash, a blacksmith's

striker, of Bracken Close, awarded Kettering won £2,700. James Mc- In their writs, the men had claimed damages for personal injuries, physical harm and

## Lorry strike impact yet to be felt, says CBI

THE FULL effects of the lorry strike on British industry are still to be felt said Sir John Methven, director general of the Confederation of

British Industry vesterday.

Speaking in Edinburgh, he said it would be March or April before the impact of the blockade on ports and factories was

felt by many companies.
The country would continue they are doing when so many to be held to ransom by small groups of militants, he said, other unions have struggled to until the moderates were pre-

pared to speak out. We have seen a situation a factory and six people can blockade a port."

Because of high wage settle ments in the Ford, tanker drivers' and lorry drivers' disputes, the rate of inflation was expected to move back into double figures.

The main responsibility for this lay with Moss Evans' Trans-port and General Workers' "I regard as distastrous what

get inflation down to 8 per cent," said Sir John. There needed to be a where three people can blockade determined review." of how far trade unions were within the

## Welsh agency takes a £2m stake in gelatin group

BY ROBIN REEVES, WELSH CORRESPONDENT

societies and the Government-WELSH Development estate. for failing to establish stable Agency has taken a £2m stake factory mortgage finance. For much in P. Leiner and Sons, of Tre- more than 500 people. of last year, he said, societies forest, mid Glamorgan, one of had been forced to lend for non-house purchase activities because of the ceiling on mort-gage advances. Had the money turers of gelatin, to help to finance the company's capital spending programme and to been held in reserve, he added, it could have been helping to assist its expansion, clear accumulated demand.

committee — the

monthly forum of the building

committee so that the industry

Mr. Moody said he was con-

cerned about the building societies' ability to continue to

attract the money required for

lending over the next few years. That point must be debated and

resolved if house builders were

to have any confidence about

ionger-term prospects.

But land availability remained

the most serious long-term con-

supply of housing land.

The £2m, the agency's biggest single investment so far. is in Mr. Moody suggested that the advisory committee had not the form of a film, or 22 per kept down prices and said that cent, ordinary share holding in its interference in the housing market would create rather the company and a film in re-deemable cumulative preference than resolve difficulties. He said he would be pressing for federation membership of the

## could join discussions which were central to its prospects.

Announcing the investment, Mr. Ian Gray, the agency's managing director, said: "The Leiner group has embarked on a major programme of capital expenditure to maintain its com-petitiveness in its highly spehalised field and to consolidate its position among the world's

sideration. The Community Land Act, he said, had "failed utterly" to contribute to the Leiner moved to Wales in 1937 as one of the first tenants the Treforest industrial

It occupies a 24-acre complex, employing

gelatins are widely used in the pharmaceutical, food and photographic indutries and the company exports its products to more than 50 countries. The development investment is in Leiner's gelatin manufacturing activities in which the group has invested £5m over the past five years. It also produces at Treforest soft-shell gelatin cap sales for the pharmaceutical, health food and cosmetics industries. Leiner's engineering company makes encapsulating machinery, which is sold throughout the world. The agency is at an advanced stage of discussion with the group to provide new modern facilities

The funding arrangement with Leiner enlarges to £13m the agency's investments in manufacturing companies and business enterprises in Wales. It has invested in 150 businesses. Previously its largest single investment was £1m in John Williams of Cardiff Ltd., steel group.

for producing soft-shell cap-

## Assembly will bring new unity'

AN ELECTED Welsh assembly will improve the government of Wales and strengthen the unity of the UK, according to Mr. Clystan Morgan, chairman of the for the Assembly Campaign.

In a study paper entitled "The Welsh Assembly — Towards a New Unity." Mr. Morgan argues that the burden carried by the Commons is almost intolerable.

Public spending plans worth millions of pounds are pushed through the House of Commons without scrutiny. Many legislative reforms for which there is unanimous support are blocked for lack of time. Only one EEC proposal in seven is examined Parliament's committees.

Wales suffers because of lack of time, Mr. Morgan claims. During the 1977-78 Parliamer tary session, Welsh MPs had only eight chances to question the Secretary of State for Wales three hours 20 minutes of parliamentary time.

The transfer of responsibilities from Westminster., and the will help reduce the congestion at Westminster and release in Parliament, protecting Welsh interests and contributing to the better government of Britain,'

## Eastern equity funds do best

Japan and the Far East fared best among the pooled pension funds in 1978, according to the survey published by Harris Graham and Partners, pension consultants.

The top spot went to the Anglo-Nippon fund, managed by the Foreign and Colonial Group with a rise of 94 per cent, with the Japan Exempt Fund, managed by Edinburgh Fund Managers, second, with an increase of 65 per cent. In contrast U.S. funds performed

American, managed by Drayton

Equity

EQUITY FUNDS invested in general did better last year than the FT-Actuaries All Share Index. The average rise amounted to 10.4 per cent against 8.5 per cent for the index. In all, 37 funds out of 55 did better than the index.

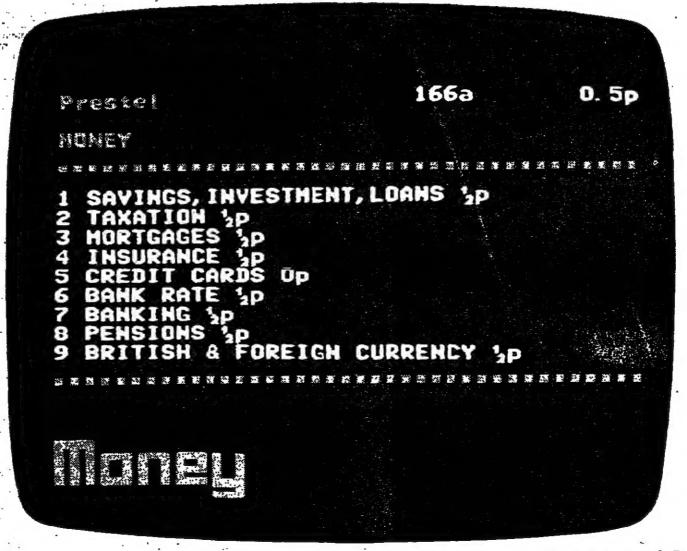
The most consistent in 1978 were the property funds, where the average growth was 20 per cent,

In contrast, fixed funds gave a very dull performdecline of 0.6 per cent.

But pension fund investment poorly, with London North performance depends very much Montagu, showing a loss of 6.5 between the three investment media - equities, property and

PENSION	FUND P	ERFORMANCE 1978	
Equity Funds		Fixed-interest Funds	
	% change	%	change
op	_	Top-Confer, Life Fixed	+ 3.7
F & C Anglo-Nippon	+93.7	•	
verage	+10.4	Average	- 0.6
ottom-London N. Amer.	- 6.5	Bottom-	
		London Fixed Interest	10.5
T-All Share	+ 8.5	FT-All Stocks Gilts	- 0.7
Property Funds		Mixed Funds	
op-Abbotstone Agric.	+37.3	Top-Confed, Life Mixed	
verage	+20.1	Average	- 53
ettem—		Bottom-	
L & G Prop. Units	+ 9.9	Lloyds Bank Exempt	- 1.5
at. Av. Earnings	+15%		8.4%

# If you own a television set, you probably won't be able to read this.



It's a page from the new telephone-linked home information service, Prestel.

And, as yet, only a tiny proportion of television sets in this country are designed to receive it.

Which means that even if you invested in a new set as recently as one year ago, you won't be able to read a page of it in your own home.

It's just one of the developments in television technology that have happened over the last few years.

And it's just one of the reasons why renting rather than buying a set is the best way to keep up with progress.

If you rent a TV set from Radio Rentals, you can change models when you wish to cope with the accelerating pace of technology. Already Radio Rentals have installed the

first Prestel sets in customers' homes

And even at this early stage, there are thousands of pages of information available to Prestel subscribers.

It's a sign of the way television is moving from being a simple means of entertainment to a much more complex domestic information medium.

Ceefax and Oracle, for instance, the BBC and ITV information banks, are now plugged in to a great many Radio Rentals homes.

We already renthome video recorders, which, together with

Ceefax and Oracle, are ready and waiting for any of our customers who want to make use of them.

So if you are thinking of investing your own hard-earned cash in a new television set, pause a moment.

Because you could well find that next year, your brand-new set seems a lot more than 12 months old.



We have a view to the future.

## Road freight subsidiary's £2.6m. profit

NATIONAL CARRIERS, the road freight subsidiary of the National Freight Corporation, made a trading profit of £2.6m last year, which gave the company its first net profit, £30,000, since it was formed 10 years

The company lost £20m in the first year of trading after it was formed from the sundries division of British Rail. It made its first trading profit, £212,000 in 1977 before a net loss of £5.7m and the improvement had

Two factors had contributed to the marked improvement in the company's fortunes, Mr. Brian Hayward, managing director of National Carriers, said in London yesterday. The 1978 Transport Act had relieved it of some of the charges it had acquired from its association

of the increased revenue had come from National Carriers' increasingly profitable specialised transport services, including the Fashionflow company, which contributed a £750,000 trading profit carrying clothes for Marks and Spencer.

losses was attributed to his-torical debt, overvaluation of assets since the company's formation, and other costs arising from its origins as part of British Rail.

Last year's Transport Act enabled the Transport Depart-ment to write down the asset Freight Corporation by £53.1m. This included all the capital debt attributable to Freightliners and all but £5m attributable to National Carriers.

The company's Chinaflow specialised china transport com-pany made a small profit for the first time, but Homeward, a company set up to handle mail-order house deliveries, had a difficult year, operating with costs "a lot bigher than we

Turnover had risen by film to almost £100m last year. Much of the increased research to the incr expected," Mr. Haward said. turnover, again failed to make a profit. The company, he added, had no intention of getting out of parcel distribution, although it had halved, to 100, the number of regional depots operating general distribution

## Volkswagen moves into rental market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

(GB), Lonrho subsidiary which imareas at rates which will be ports VW and Audi cars to the highly competitive with the UK. has started a scheme major car rental organisations." which will enable its dealers to operate in the car rental

Initially, about 60 dealers in major towns are expected to operate the scheme, called Autorent. By the end of this year, about 100 should be in-

Finance for the operation for those dealers who need it will be supplied by Auto Union Finance which is 49 per cent owned by Volkswagen (GB) and 51 nor cent by the Lloyds and 51 per cent by the Lloyds and Scottish banking group.

Negotiations are going on to provide "very comprehensive" insurance cover for the dealers will allow them to "operate a Agents.

the car rental business in their own

● In 1978 VW-Audi experienced the fastest growth of any big manufacturer or importer in Britain, with sales up 41 per cent from 50,889 in 1977 to 71,688. It forecasts a further 15.8 per cent rise in a static total market this year and sales

## Grants bring £23m business

BRITISH INDUSTRY received more than £23m in December from orders arising from aid grants and loans to developing countries made by the Ministry and, because they would have of Overseas Development and few extra overheads, Autorent administered by the Crown



Another woman for the London Stock Exchange . . Mrs. Margaret Thatcher, the Conservative Party leader, visiting the exchange's trading floor yesterday after lunching with Mr. Nicholas Goodlson, chairman of the exchange.

## Clydesdale leaflet sparks row

Scottish Correspondent

CLYDESDALE BANK. Scottish subsidiary of the Midland, denied yesterday that it had taken sides in the devolu-tion referendum by sending an anti-assembly leaflet to its

About 450 copies of the leaflet, produced by Scotland Says No, the main anti-devolution umbrella group, have been sent to branch and departmental managers with a covering memorandum saying that it is for information only and that the bank is not making any recommendation on the political

Mr. Ian Hoy, secretary of the Yes For Scotland campaign, said: "I am not convinced by the Clydesdale's argument, I think it was just a way of getting the No publicity across But I intend to write to the chairman of the bank asking him how many Yes leaslets he requires.

The bank said: "We send out various items which we think are important to our managers, for their information. We were approached and asked if we would send out copies of this leastet and we thought it was important for them to see the arguments.

We would have sent out of Egyptian potatoes will arrive leaflets from the Yes organisaevery two or three days during tion had they been available. the season.

## Guidelines revised on Arab boycott

BY MAURICE SAMUELSON

does not rule out all trade with

As well as disapproving of boycotts lacking "international authority," the Department is expected to criticise the process by which companies submit to the boycott. This involves filling in processions are for the Control in questionnaires for the Central Boycott Office in Damascus and signing contracts with special boycott clauses.
The Depart

Department already issues a notice aimed at removing unnecessary anxieties of UK companies and offering confidential advice. The stronger wording, promised in last week's Lords debate on the boycott. aims to meet the proposals of the select committee report on the Foreign Boycotts Bill. These

Potato terminal

A NEW terminal wil be set up

in Liverpool's Canada Dock

following an agrement in Ham-

burg under which 15.000 tonnes

for Liverpool

THE TRADE Department will were intended as an alternative shortly publish revised guide to legislation which the com-lines on Middle East trade mittee decided was impractical, reflecting disapproval of the Arab boycott. The document Middle East confirmed yester-will also explain that the boycott day that it circulates a list of about 70 insurance companies Israel, as some British com-panies appear to believe. on the Arab blacklist, including Pearl and Phoenix assurance Pearl and Phoenix assurance companies.

The list, supplied by the bank's Aou Dhabi branch, is sent to exporters wishing to insure goods bound for the country. Its existence became known when the U.S. parent company of a Reading electronics concern reported a boy-cott request to the U.S. Commerce Department.

Reporting of boycott applications became compulsory under the Export Administration Act's 1977 amendment. About 40,000 such requests a year are being reported, and are closely monitored by the American Jewish

BY JOHN LLOYD

In the current issue of the

Courier, the Post Office's

monthly newspaper, Sir William

says that "Our standard of

service, both on telecommunica-

tions and posts, has slipped a little and as a result many of

our customers have been

Recent figures indicate that

the service has deteriorated because of staff shortages—

the effects of the Post Office Engineering Union's industrial action, which ended last

During the first quarter of

the current financial year (July-September, 1978), the percen-

tage of local calls successful on

one dialling was 63.3 per cent,

against an average 64.1 during

• The rate of failure for STD

calls was 3.8 per cent due to the Post Office in the first quarter of this year against 3.3 per cent

FINANCIAL TIMES REPORTER

AMERICAN FUNDS predomin-

Planned Savings magazine.

top 10 performers in January

and nine places in the top 20.

can fund was Schlesinger U.S.
Small Companies coming

with a gain of 13 per cent in

The best performing Ameri-

William Barlow.

## bankers seek tax relief

LONDON'S leading merchant banks want the Government to introduce a tax relief scheme for financial institutions similar to the stock relief scheme for industrial companies.

The merchant banks' request the merchant banks request has come in a submission from the Accepting Houses Committee to the Treasury and the Inland Revenue. Their case is that inflation erodes their capital base and imposes strains on their ability to keep up with demands for higher lending.

The accepting houses have The accepting houses have been working on the submission

for the past 18 months. Similar requests for tax relief have been made in recent years by the clearing banks. where the clearers have been able to resort to rights issues to maintain capital adequacy, this has not generally been possible for the merchant banks because of their depressed share

A clearing bank representa-tive said yesterday discussions were still taking place with the

Inland Revenue.
But the banking community is not optimistic about obtaining a major tax concession now when clearing bank profits appear to be rising substanti-ally. One possibility, however, is that the clearers may seek to strike a bargain with the Government by offering, for example, to set up a guarantee fund for small businesses in return for tax relief on capital erosion.

## Directors'

annual convention will be held at the Royal Albert Hall. London, on Tucsday, March 20. Speakers will include Mr. John Diebold, Sir James Gold-

convention THE INSTITUTE of Directors'

Service slipping says

A DECLINE in the quality of the Post Office service has been operator, 82.7 per cent were highlighted by its chairman, Sir answered within 15 seconds in

Post Office chief

smith, General Alexander Haig, Sir Frank McFadzean, Sir Bernard Miles and Mr. Norman

the first quarter, against 84.3

• There was a 54 per cent

failure rate for international

direct dialled calls due to the

Post Office in the first quarter

15 seconds in the first quarter against 58 per cent last year.

Figures for October 1978 show

that 91 per cent of first-class

letters were delivered on the next working day, compared with a target of 93 per cent.

while 90 per cent of second-class

letters were delivered within

three days, against a target of 96

not to have improved signifi-

cantly, except where—as in overseas calls—the deterioration was

largely due to the effects of

union action. Staff shortages have been a critical problem in

some areas, including London,

Britannia Minerals, benefiting

Eastern funds,

year's best performers, con-tinue to do well and three of

Eastern, were in January's too

for the past year.

These figures are understood

per cent.

U.S. funds among top 20

ate among the early leaders in from a boom in metal prices, this year's unit trust perform took first place and Britannia's

They took four places in the funds reflects a big revival of confidence on Wall Street last

Small Companies, coming tinue to do well and three of second in the entire table them, led by M and G Far

tables, according to Gold and General fund was

month.

third.

unit trust performers

against 4.2 per cent last year. Only 32 per cent of inter-national calls through an operator were answered within

per cent last year.

## Merchant Attempt to avert Civil Service walk-out today

Lord Peart, the Lord Privy Seal, this morning in an attempt to assistants and 25-3; stave off a national strike and for clerical officers. other industial action over pay by their 285,000 members.

The Civil and Public Services Association and the Society of Civil and Public Servants, the two biggest unions yesterday formally announced that their members would be called out to a particul member with the control of the control on a national one-day strike on February 23 if the Government did not agree to implement the findings of an independent com-parability study in full.

All overtime will be banned and groups of members in key installations, including defence, VAT, customs and computer establishments, will take selec-tive strike action from the start of the late shift on February 25, with non-shift workers being selectively called out the day after.

While the Civil Service Department has threatened that employees who take part in action will have their pay and sick leave entitlement cut and their holiday requests refused. the unions maintain the warning has simply hardened their

resolve. The latest union evaluations of the reports from the Pay Research Unit increase their estimations of the sort of rises the comparability studies maintained would keep civil servants in line with similar jobs in in-

The current figures have CPSA members, mainly in the

clerical grades, to between 23-26 per cent

The society had estimated us members would need rises of 25-30 per cent but the estimate now, based like the CPSA's new findings, on new information on private sector fringe benefit increases, particularly meal tween 26-36 per cent for execu-

tive officers.
The rises sought would increase clerical assistants' pay from £44,12.250.15 to £54.263, ciercal officers' pay from £49.79, certacl officers' pay from £59.64-£87.72 to £86-£111.

Mr. Gerry Gilman, the society's i general secretary, said the study showed the wage explosion had already happened, in secret, in

the private sector.

Mr. Ken Thomas, CPSA general secretary, said if the Government did not want to

throw away the coming election it would have to come to terms with the public sector.

If the Government offered 5 per cent "the balloon would go up." Both union leaders said it was unlikely that their members would allow them to consider a staged deal, which some Ministers and Department officials see as an escape from the embarrassing contradiction be tween the unit's findings and

the 5 per cent limit.

Mr. Thomas said his union had a fighting fund of £1.2m to back its campaign of industrial moved from the 15-20 per cent action, which, with selective originally thought necessary for atrikes, would enable them to

## Scottish miners set for action campaign

executive.

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ON THE EVE of the re-opening state of negotiations and preof pay talks with the National Coal Board, union leaders in Scotland yesterday called for a national campaign to prepare miners for any necessary indus-

The executive of the traditionally militant Scottish area of the National Union of Mineworkers unanimously rejected the Board's 31 per cent offer and demanded that the full 40 per cent claim should be met.

This would take face workers to £110 a week and surface miners to £86. Mick McGahey, Mr.

Scottish leader and vice-president of the union, said that the

Nor would it be intimidated by the arguments that action in covernment.

eek to inform miners of the also,

The Scottish area would hoping the miners break begin a pithead campaign next through with their wage claim The Scottish area would

NUM would not be frightened by threats of cuts in investment or pit closures in uneconomic

support of the claim would

basien the return of a Tory

an overtime ban, selective strikes or an all-out stoppage, but it would be for the members to decide in a ballot. At the national executive

pare them for any action which

might be called by the national

This could take the form of

meeting in London on Thursday, the Scottish area would propose a similar campaign in all coalfields in Britain, starting with the national delegate conference, to unite all areas of

the union behind the pay claim.

Mr. McGahey said: "In the initial stages of negotiations. members were shocked and thought the coal board was playing a joke. There is real anger now, and strong resent-ment. After all, £110 basic gross wage for a face worker is not

extortionate.
"I am pleased that the lorry drivers broke through and that Fords broke through. I am

## Former MP challenges bar from union post

MR. EDWARD MILNE, the February and October, 1974.

former Labour MP, in the High But a sponsored MP who lost Court in London yesterday chaloffice was entitled to a union Court in London yesterday chal-lenged the right of the Union post of Shop, Distributive and Allied Workers (USDAW) to deny him tion.

union office. Mr. Milne, aged 63, a former USDAW area organiser, clashed

Party decided not to readopt him, he has been entitled to a post in USDAW not less favour-able than area organiser.

that the former MP repudiated a union sponsoring scheme by standing against the official Labour candidates for Blyth. Mr. Ivor Richard and Mr. John Ryman, in the elections of post not less favourable than that which he held before elec-

with his union after he stood with his union after he stood as an Independent Labour candidate in the 1974 parliamentary elections at Blyth, Northumberland.

He claims salary arrears or damages for loss of office and that since February, 10, 1974, when Blyth Constituency Labour Party decided not to readout

Mr. John Macdonald, QC, for Mr. Milne, told Mr. Justice Foster that USDAW maintained

"We say there is no express provision which would prevent Mr. Milne standing as an inde-

pendent candidate in the scheme," counsel submitted. Mr. Milne's disagreement with the constituency party sprang from his concern over corrup-tion in public life and differences with his agent, Mr. Macdonald said. His repeated calls for an inquiry into Labour's affairs in the North of England were regarded by many party members as "rocking the

Mr. Stuart Shields, QC, for USDAW, said: "I take my stand on the position that he stood as an Independent Labour candidate as opposed to an official candidate, and that is the basis for defending this

The case continues today,

## Public service strikes to be stepped up

BY OUR LABOUR STAFF

THE National Union of Public Employees said yesterday that strikes at schools, hospitals and in local authority services were being intensified with new

More than 200 schools in Sheffield are now involved in strike action on varying days Ulster's 500 ambulancemen yesterday joined the work to rule and overtime ban by 12,000 hospital ancillary workers in the

The overtime ban is expected to be aggravated by selective stoppages in a number of Ulster

Army ambulance crews stood by in London again yesterday after an overtime ban by am-

The action by 2,200 am-bulancemen in banning all overtime from 7 am had an immediate effect. By 9 am the normal number of ambulances available had been cut by one

In Wales, industrial action by health service workers con-tinued to cause chaos. West Glamorgan was badly hit with 1,500 NUPE ancillary workers on strike in support of the county's ambulancemen who had been sent home for refusing to work normally.

The men dealt with emergency calls only. Essex ambulancemen belonging to NUPE and other unions stepped up their industrial that pay negotiations action by covering only emer-

continue.

NUPE said its action would be in accordance with the code which followed discussions with Mr. David Ennals, the Health Secretary. The threatened strike at 16

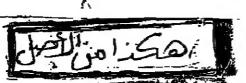
West London hospitals how-ever, was called off after the personal intervention of Mr. Ennals, although strikes in other London hospitals are set to go ahead.
The Department of Health said last night that the overall

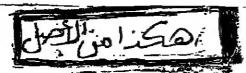
position in the health service had not deteriorated. The grave diggers' strike in Liverpool is over and the men are to return to work today so

But the men said the strike would resume for indefinite period if substantial pay offer is not made within four weeks. Scottish leaders of the four public service unions yesterday warned that industrial action would start unless they got a "substantially improved" pay offer this week. They issued the warning after a meeting with Mr. Bruce Millan, the Scottish Secretary,

in London. Mr. Donald MacGregor Scottish organiser of the General and Municipal Workers' Union, said: "The unions have been restrained in their action

to date, but we have found it extremely difficult to restrain our members."





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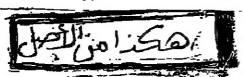
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## First vaccine damage payments on the way

50 people—under its scheme —the area which has caused for vaccine-damaged people, Mr. most controversy. David Ennals, Health Secretary. announced in the Commons

reading of the Vaccine Damage
Payments Bill which gives legal to try to alleviate the cruel backing to the payments plan announced last May.

A payment of £10,000 will go to any person who had suffered severe damage as result of vaccination or through contact with a person vaccinated in routine NHS programmes. The Bill, which also sets up a tribunal to consider border-

line cases, applies to the whole of the United Kingdom and the Isle of Man.'

Mr. Ennals said the Bill differed slightly from the arrangements outlined last August. Payment would now "I believe it makes parents, also be made to any person in the middle of their tragedy. who had suffered damage as a aware of the fact that society result of vaccination of the has made a contribution to help result of vaccination of the mother before birth, vaccination them and ease some of the against polio and German burden they have to face."

Dr. Vaughan, who helped to given during an outbreak of the disease to question.

But he stressed that the Government stood by immuni-sation programmes, which provided massive overall benefits which "far outweigh the associated risks."

The Bill was not a compensation scheme and the £10,000 payment did not bar any subjudice any rights, though it would be taken into account in

THE GOVERNMENT is soon that whooping cough vaccine in the war against disease, a to make its first payments—to had ever caused brain damage battle fought on behalf of the

It was difficult to identify the vaccine damage and in these oday. cases an independent expert. He was moving the second tribunal would be available.

> paradox that, because the very great majority benefit. a minority, albeit a very small minority, has suffered," he said. Dr. Gerry Vaughan, Opposi-tion, spokesman, backing the Bill, said he hoped the panic stage, in which many parents refused to have their children

> vaccinated at all, was now over. One problem of the immunisation issue was the enormous guilt felt by the parents of damaged children. He considered that £10.000 was a good start. It showed the Government recognised the problem.

set up a medical panel to examine thalidomide children,

suffering caused by delay in the procedure. He congratulated the Government for recognising this, and for having in the Bill set up a procedure giving benefit of the doubt to vaccine damaged child-

referred to the unnecessary

A leading campaigner for the sequent civil proceedings for disabled, Mr. Jack Ashley (Lab compensation and did not prejudice any rights, though it Bill and said it would ease the burden on families whose lives

demands industrial reform

BY ELINOR GOODMAN

SIR KEITH JOSEPH, the

Opposition spokesman on Industry, and one of the Con-

servative leader's closest

advisers, claimed yesterday that reduced union power was

a prerequisite for national

unblic debate on the subject

of trade union reform. The

onus, he emphasised, would be on union leaders to defend

the way in which they used

In a speech which emphasised how far Conser-vative thinking has moved

over the last few months. Sir

Keith anticipated Labour charges of "union bashing"

and said he was not attacking

union members for the way

in which they had been misled and mis-informed by

those very people who claimed to represent their

his speech with references to Shadow Cabinet colleagues generally regarded as being more moderate than him, also

took up what is likely to become a familiar line from

the Conservatives in the run

up to an election, when he attacked the institutionalised

links between the TUC and the Labour Party.

In the same way, he gave a preview of the Conservatives' likely response to Labour allegations that the

country's industrial problems

are the result of being forced

to rely on the traditional

Tory remedy of monetarism.

Monetarism in isolation, he

argued, would not be enough

to tackle the nation's policies.
It had to be put in the wider context of fiscal and legisla-

Recovery required that the

unions operated responsibly within a fair and balanced

framework of law and that

everybody worked within a

sensible economic framework.

been converted to what was once Sir Keith's favourite

cause of monetarism, the Con-

servatives have been putting

increasing embpasis on the

need to accompany monetary

discipline with a reduced resources going to the public

The public, he said, had been misled by Mr. Callaghan

and Mr. Healey, who had

denounced monetarism while

practising it. He claimed that

Ministers refused to face the

central problem—the ability

of unions to force the rest of

society to pay for the inflation

the unions were making barder to eliminate. He said

the unions had been uniquely

privileged for some time, but

Labour's more recent legislation-all at the request of the

TUC-seemed designed to enthat a streng union

could almost always win any

Sir Keith's speech was seen by Tory MPs yesterday as

further evidence that the Shadow Cabinet no longer regards the policies spelt out

the Economy" as adequate to

deal with the present situa-

apparent decision to make

union reform a central plank

of the party's election plat-

form. might backfire on the

Conservatives by raising public expectations too high

and locking the party into a

situation where it would come

to power already at logger-

heads with the unions.

The Right Approach to

There was some con-

however, that the

dispute, regardless of

economic case.

Since the Government has

tive reform.

Sir Kelth, who peppered

their power.

interests.

What was needed was a

Mr. Ennals had initiated an important step forward in social policy at a time of very great economic difficulty, and in the face of very strong opposition from parts of the medical pro-

But Mr. Ashiey said the £10,000 payment was clearly inadequate and could be regarded only as a stop-gap until an adequate scheme was prepared.

It should be based on the war or industrial injuries scheme, with the great advau-tage that it would be inflationproofed and adjusted to any changes of the effect of damage in individuals.

Mr. Ashley also hoped the Government would reconsider its decision not to pay families whose children had died.

For the Tories, Mr. Patrick Jenkin, shadow health secretary, said Mr. Ennals had been meticulously careful not to state that these damages were an interim payment. No solution had been pro-vided to the problem of those families with damaged children

who did not qualify for the £10.000 payment. He was concerned about the difficulties facing parents who wanted to sue on behalf of their

vaccine-damaged children. "Unless the law is changed to provide stricter liability, it must be exceedingly doubtful whether parents can establish negligence in order to claim for

damages," he said. He also questioned whether assessing the amount of any had been devastated.

Yaccine-damaged children \$10.000 payment would be were special cases like war distant there was no firm evidence abled. They were the wounded damages claim.

## Tory 'mugwumpery' on Rhodesia condemned

BY ELINOR GOODMAN, LOBBY STAFF

A TORY rightwinger yesterday called on the leadership to " get off the fence" on Rhodesia and off the fence "on Rhodesia and support the internal settlement.

The call was symptomatic of the kind of pressures building white referendum." up within the party, which some members of the shadow Cabinet fear may boil over into an embarrassingly public argument before an election.

Mr. Francis Pym, shadow Foreign Secretary, last week.

Mr. John Bigg resigned from the front bench ernment for failing to do enough in November to be free to vote to bring about "free and fair against renewal of sanctions, elections" in Rhodesia but did in November to be free to vote urged yesterday that there not commit a Conservative gov-should be no further "condona- ernlment to lifting sanctions tion" of sanctions against what after an election had been held.
he described as the "white-black As Tory hopes of winning the partnership in Salisbury."

**Zenith Port Royal** 

"Mugwumpery," he said, did not become a great party. The

in marked contrast to the more cautious referendum vote from

As Tory hopes of winning the British election increase, so

does the concern of some frontbenchers not to be committed to a position which a Conservative Government could not stick

the tone of his statement was than half the Rhodesian electorate voted in favour of the internal settlement, pressure to recognise the new Government could create an embarrassing needed closed ranks for an election.

The official position remains that sanctions on Rhodesia cannot be lifted until free and fair elections have taken place. What is not clear is what exactly would constitute "free

## Zambian debts promise

THE Zambian Government is using recent international Monetary Fund credits to clear debts to British firms and indi-viduals, Mrs. Judith Hart. Minister of Overseas Development, told the Commons yester-

She was urged by MPs to put pressure on the Zambian Government to speed up the payment of compensation to British firms and individuals. Mr. Richard Luce, (C Shoreham), said many people were suffering financial hardship

Mrs. Hart told him that the Government could not use overseas aid which Britain sent to Zambia to meet these claims. But British aid to Zambia would make it easier for that country to release foreign exchange for remittances to British subjects.

"The Zambian Government has assured us that part of the foreign exchange made available by the advance payment for copper purchases will be used for this purpose and I under-stand that the greater part of the recent IMF credits has been used to clear remittance arrears to British firms and individuals.

"It is not possible to -duct the money owed to UK nationals from British aid loans to Zambia because the money has been voted by Parliament to assist Zambia's economic and social development

## Prior takes tougher line on unions

By Paul Taylor

THE LAW on picketing, trade union closed shops and the provision of supplementary benefits to strikers will have to be examined if the imhalance of trade union power is to be corrected. Mr. James Prior, shadow employment spokesman said yesterday.

At a London meeting of the Working Together group, Mr. Prior mapped out the middle ground between some trade union leaders and industrialists on measures needed to improve Britain's

industrial relations record. He did not wish to see a return to the rigid format of the Labour Party's In Place of Strife or to his own party's Industrial Relations Act.

"Satutory nav nolicies will not work in Britain." he said. There would have to be changes in the law on picketing coupled with the law on associated action, such

secondary picketing. Mr. Prior said the law on "unfair dismissal" would have to be examined where someone refused to join a union closed shop and that anneals against union expulsion from a closed shop should be dealt with by the

## Joseph Macmillan looks for consensus

former port to the appeals for a Government of national unity.

Britain's future depends on achieving a general consensus. he says in a recorded interview for BC Television.

"I'm quite certain that there could only get them to unite, of employers and trade unions, or the churches, all the people who influence opinion who would say-"It's enough, we must make a new start."

It's a moral issue, we must have the determination and we must rebuild our courage."
Mr. Macmillan, who will be 85
this week. says: "I'm sure

people would welcome a real lead and say . . . let's get together and make this marrellous world for ourselves." Eloquently stylish as ever, he

What's gone was that you could alarmed about the SALT dis-only run that on a general con-cussions which look like abansensus of nobody pressing any position too hard. . . ."
Mr. Macmillan says he can

tween the parties: they are exaggerating their different approaches to the problems. all playing about with the idea

MR. HAROLD - Macmillan, of reducing the amount of Conservative Prime money in the hands of the Minister, tonight lends his sup- people, either for new enterprise or for new businesses or for spending."

He adds: "Now, I can't feel

in my heart that that's right." It had a depressing effect on energy, enterprise and produc-

Turning to Europe. Mr. are forces now which if we Macmillan calls for a revival of the "great emotion" which has whether in a government of been lost in the bureaucratic unity of the great organisations arguments about fish and milk arguments about fish and milk. A united Europe could still equal the super-powers in influence, foreign

policy and defence.

But its future is very uncertain. "Nobody is really facing this. . . . Somebody must arise, somebody who like Churchill is not just an echo but a voice.

Mr. Macmillan says he is also alarmed by the West's failure to " hold up our guard " against the Communist world. Britain had abandoned vital

recalls the "you've never had military positions; the United it so good "days.

"Now something5s gone. "I tell you quite frankly. I'm

doning or endangering the safety of Europe for the con-venience of the United States

see little real difference be-tween the parties: they are He adds: "Peace is not kept, exaggerating their different alas, by committees or phrases. I think this can be kept, this Whether by incomes policy peace, if each side keeps up its or monetary policy, they are guard and makes no con-



## NFU man chosen for Europe BY IVOR OWEN

SIR HENRY PLUMB, who is stepping down as President of the National Farmers' Union to start a new career in politics, looks certain of a seat in the European Parliament. He was selected at the weekend as Con-servative candidate for what looks like being the Tory stronghold of the Cotswolds European constituency.

Sir Henry, who failed to be selected for two other European seats, was one of another batch of candidates to emerge from the lengthy Conservative selec-tion procedure at the weekend.

Other candidates included Sir David Nicolson, former chairman of British Airways and now chairman of Rothmans Inter-



Sir Henry Plamb

national. He was selected for London Central which also looks like being a solid Conservative

So far, 22 candidates have been selected. Most of the glittering names known to be in search of European seats, have been placed, and most of those still searching are either former Conservative MPs or less well known businessmen.

One of the luminaries still looking for a safe seat is Mr. Paul Channon, MP for Southend West, who Mrs. Thatcher wants as leader of the Conscrvative delegation in Europe.

## 'Useful' discussions on nuclear power

USEFUL discussions have taken place with Sir Arnold Weinstock, the managing director of GEC, about the reorganisation of Britain's nuclear power industry, Mr. Anthony Wedgwood Benn, the Energy Secretary, told the Commons yester-

But, despite pressure from Conservative and Labour MPs, who underlined the harmful effect of continuing doubts over the future structure of the industry, he was unable to give any indication when definitive proposals are likely to emerge. Mr. Benn answered Opposi-

tion criticism by stressing that even Conservative MPs now accepted that the crganisation established by the Heath Government, based on interlocking private shareholdings.

alternative arrangements by agreements and this was taking

Mr. Benn reported that top officials employed at the Riseley agreement that a majority sive power stations." holding for the public sector guarding the National Nuclear Cornoration.

Mr. Tom King, the Conserva- another.

tive shadow Energy Minister, suggested that the Alinister was experiencing difficulties in the negotiations with the nationalised corporation involved quite apart from the private sector companies. After referring to discussions

with the Central Electricity Generating Board and Atomic Energy Authority, Mr. Benn said: "I am trying to reach a consensus because that is the proper way to proceed." He gave no support to a com-plaint by Mr. Arthur Palmer (Lab Bristol NE) that Sir Arnold was using GEC's position to lay down "certain meeting aimed at using the demands" for reconstructing current industrial crisis as evi-

the industry.

Mr. Benn caused some sur
dence of the need for a fundamental change in the electoral prise by hinting that negotia- system. It was dismissed in tions with the Opposition on the government circles, however, as introduction of legislation to reorganise the electricity supply But without legislative power industry had reached a stage was having to proceed to when it might be possible to secure a second reading for a Bill.

He also expressed "grave doubts" about continuing with the policy decision taken in the and Whetstone plants were in early 1960s in favour of "mas- Callaghan had not turned down

Recent events had shown would be the best way of safe- how vulnerable such stations were, but it took time to move from one policy approach to

#### the request for a referendum but said he would put it before the Cabinet. Two weeks later he came back to the Liberals to tell them that there was no support for the idea.

Tory advice spurned BY OUR PARLIAMENTARY CORRESPONDENT

negotiations between National Coal Board and the National Union of Mineworkers on the miners' pay claim. Mr. Anthony Wedgwood Benn. the Energy Secretary, brushed aside Tory allegations that he is encouraging a settlement in excess of the Government's pay guidelines

Mr. Tom King, shadow energy minister, yesterday joined Tory backbenchers in accusing Mr. Benn of failing to support the view of Sir Derek Ezra, the NCB chairman, that moderation in this year's settlement is essential if long-term investment plans for the industry are to be sustained.

Government supporters cheered Mr. Benn when he told of 1974, he was not prepared undermine the NCB chairman

ON THE EVE of the resumed to accept lectures from them on how to handle relations with the coal mining industry.

I am not prepared to negotiate with the NUM. That is a task which Parliament has placed on the shoulders of the NCB," he said. Mr. Nigel Forman Carshalton; claimed that at one

meeting Mr. Benn had pressed Mr. Joel Barnet, Chief Secretary to the Treasury, to allow the NCB to make a settlement outside the Government guide-Mr. Benn replied that Mr.

Forman had misunderstood what had taken place. This did not satisfy the Opposition benches and Mr. Peter Viggers (C.. Gosport) warned that the absence of support from Mr. Benn would

**Progress** on prices DESPITE BEING strongly criti-

Liberals

PR plans

BRITAIN came " within an acc "

of having a referendum on pro-

portional representation for

general elections last year, according to Mr. John Pardoe, Liberal spokesman on economic

He said the issue was raised

when the Prime Minister asked

the Liberal leader, Mr. David

Steel, and himself about renew-

summer. Mr. Callaghan had agreed to consult his Cabinet colleagues about the possibility

The claim was made at a

the Liberals had not expected a

Labour Government to deliver

PR. it ought to have been able

to deliver a referendum to the

Mr Pardoe claimed that Mr.

British people on PR for the

Westminster elections.

of a referendum.

pure fantasy.

ing the Lib-Lab pact last

reveal

affairs.

secured an unopposed second reading in the Lords last night. Ministers are now hoping that the measure, which abolishes the safeguard regulations guaranteeing a minimum level of profit for companies undergoing investigation by the Price Commission, will receive the Royal Assent on Thursday,

cised by Tory peers, the Price Commission (Amendment) Bill

In the closing speech for the Government, Lord Jacques, a Lord in Waiting, claimed that companies will be able to initiate action in the courts to challenge the way in which the Price Commission exercises its

discretionary powers.
In asserting this view he clashed with Lord Cockfield. who argued that the Bill would give the Price Commission

## Bill will thwart treasure hunters

MOVE to make life easier ological heritage to be recorded for archaeologists and harder before they destroy it." for amateurs with metal detec-Government in the Lards yester-

Peers were debating the second reading of the Ancient Monuments and Archaeological Areas Bill which gives archaeologists the right to excavate for up to six months at any site considered to be of special importance where there are plans for development.

Developers would have no choice but to allow the excavation to take place, and could not claim compensation for the delay

Baroness, Stedman, Environment spokesman, said some developers co-operated with archaeologists. Others would not give them enough time to excavate and some would not even let them observe the site.

"There is at present the risk that the developer will deny acress to a site of great importance, with the inevitable consequent loss of rapidly diminishing evidence of the past." Lady Stedman believed many developers would be plad to know what was expected of them to "enable the as-ise-

The Bill also forbids the use archaeological interest. tors was introduced by the of metal detectors, without con-activities of ill-informed people sent, at ancient monuments and using metal detectors could pose archaeological sites. This provi- great dangers and could sion was prompted by "treasure threaten the existence of crucial hunting with the aid of metal sites.

> A PRIVATE Bill to abolish the ancient law of treasure trove in England and Wales received its first reading in the Lords yesterday. Introduced by Lord Abinger and sponsored by the Council for British Archaeology, the measure would mean that gold and silver objects found in the earth would automatically be the property of the Crown. At present, coroners must decide the ownership of treasure.

detectors, which could lead to

irreparable damage and loss of knowledge," said Lady Stedman. It was not the detector that was scheduled for development. harmful, but the action of dig- were justified. A morning's ging up a metal object that was likely o harm an archaeological

For the Conservatives, Lord Mowbray said: "Properly used, this Bill should do everything encourage co-operation archaeological sites and there between all parties and a responsible attitude towards the conservation of our heritage." He said the Government

Lord Mowbray said the new powers giving archaeologists the right to excavate sites work with a bulldozer could destroy a century of history, he

For the Liberals Earl Grey had done much harm to some was great concern about the destruction and vandalism of ancient monuments, he said. Lord Kennet (Lab) said he

ing the use of metal detectors he power to terminate in areas other than those of guardianship of ancient monuing the use of metal detectors he The ments. He did not believe that ancient monuments should be singled out for a lesser degree of protection than National Trust property. But the new provisions for archaeological sites were clearly overdue.

> The provision in the Bill to introduce the new concept for Britain of "designated archaeological areas" was praised by Lord Abinger.

But, he was uncertain how the idea would work because it was often difficult to identify areas of archaeological interest when they were located below ground, especially in large

Winding up for the Government. Lady Stedman said about 80.000 metal detector licences had been issued by the Home Office and a further 8,000 were welcomed the Bill. Amateurs being processed. Licences for metal detectors, unfortunately, did not ensure that they were not improperly used on archaeological sites.

The Bill was given an should consider further restrict- lamented the introduction of unopposed second reading.

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Investment

## THE JOBS COLUMN

## Weakness to strength • 'Elite' in reality

BY MICHAEL DIXON

"NOW TELL me: what is your weakest point?" The use of that kind of negatively directed question in job interviews evoked especial scorn the other face. night from Cyril Marks, of Courts Careers Consultancy in

Such questions were evidently becoming more and more fashionable these days, he told a group of men and women about to leave the City University Business School with higher degrees in management. What better example could there be; Mr. Marks asked rhetorically, of the liability of recruiters arrogantly to assume the right to ask a candidate questions which they would feel affronted to be asked them-

"Just suppose you as a candi-date asked one of them to tell you what was their company's weakest point." he went on. "Would they tell you that some unidentified security problem was stopping 1 per cent of their finished production from ever reaching the customer?"

The tone in which Mr. Marks expressed this inquiry suggested a certain disinclination to believe that pigs might fly.

"But you'll find interviewers think nothing of throwing ques-tions like that at you," he informed the aspirant business graduate whose job-hunting season has started this very

point, what do they do? They consider it carefully for a moment, and then answer it honestly. Co-operating with negatively directed interviewing of that kind is the same as cooperating in your own rejection," Cyril Marks declared. "What you need is to think up an answer that puts the dis-cussion back on a positive

What would he reply if asked to disclose his weakest point? "I probably push the people under me too hard."

## Up and down

.THAT MASTERSTROKE—per-sistent use of which might apprise recruiters that tricksy interviewing is a game two can play-was an unexpected bonus from the City Business School's seminar, which I attended to discuss the likely job prospects for people with master's and other higher degress in manage-

As a breed such folk, who are commonly referred to as MBAs, have had a distinctly up and down existence since business education of the American patwholesale into Europe about a

dozen years ago.
It is unfortunate that it was imported into the UK, in particular, amid an enthusiasm for education which was little short of religious in kind. Education was seen as capable of any-

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the better they would inevitably Meanwhile thousands of practis-become. Hardly anyone stopped ing middle-managers whose pro-ing middle-managers whose pro-years of academic education to see that the education people actually undergo, rather than theorise about, is a set of practices conducted by fallible human beings, some capable, some incompetent, and most of middling skill.

The fervour coincided with a belief that insufficient managerial ability accounted mainly for Britain's failure to match the United States' economic growth. "The management gap." the deficiency was called. Managerial activity depends primarily on a relationship between one person and others.

But few questioned whether, in that case, it could be effectively

taught in the same formal sense as is philosophy, which depends on a set of intellectual precepts. Leading politicians, business men and even civil servants instead leaped to the conclusion that the way to heal the management gap was to set up higher-degree courses in business administration like those which were common, and have since become habitual, in the Perhaps because the sult would be increased funds and career-prospects for academics, the educators heartily

agreed.
From public platforms various eminences declared that once the management courses were set up and their human products transferred into the commanding heights of industry

motion prospects were to be surrendered to the educated "high fliers," rubbed their hands menacingly and mur-mured: "Aye, Happen.

When the MBAs began to emerge from the new courses the best of them were indeed sharply trained businessanalysts and so of much potential value to an economy where
—to borrow the words of Tony
Hall, another speaker at the
seminar — decisions taken
because they seemed a good idea" too often turn out to be

very expensive good ideas. But the MBAs had generally been oversold, and not least to themselves, as paragons of managerial skill. Many were also undermined by one of the hand-rubbing fraternity who had been put in charge of them pending their elevation above his head to the senior ranks. The result was that, just as indiscriminately and irrationally as they had been heralded as intellectual saviours, by 1971 they were being ridiculed as impractical whippersnappers.

business graduates among working organisations seems at last to be settling into some reasoncorrespondence reality. And it looks as though this year Britain's new MBAs services will be specifically sought by around 250 concerns of various kinds.

Now, however, the image of

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directly into two further years' full-time study of analytical techniques coupled with economics, finance and the more medish sociology and psychology. Increasing numbers have years of working experience between bachelor's degree and management school, and some are aged well into their

#### Salaries

The differences in age and experience make risky any attempt to estimate likely starting salaries. Even so, the average for those aged 27 and under is expected to be \$7,500 or a bit more, and that for the \$28,000 are to the \$25,000 are to the same than \$1.000 are to the \$25,000 are to t 28-plus age group something upwards of £9,000.

Jobs which justify such high figures by applying the MBA's analytical skills in finance and corporate planing will probably make up the biggest, single category on offer. Marketing and commercial operations seem to constitute the second biggest, and management consultancy. whose major firms are appar ently recovering their appetite for recruits, will be another buyer.

But this year, the intake of MBAs into production and allied work might well help to banish their former over-manicured image by overhauling "And when candidates get thing an ideal commodity, the and commerce, the nation's Now, too, the business consultancy as the third biggest asked what is their weakest more of which everybody had prosperity would be assured, graduates are less typically category.

While the public sector remains aloof, business concerns in the UK-albert still mostly the big groups—seem to be assuming the attitude of counterparts elsewhere in Europe, where MBAs made their entrance in less manie-depressive circumstances. This is to take post-graduate management education not for what one hopes or fears it might be, but for what is evidently

what is evidently is.

So no doubt will the business graduates who heard Tony Hall at the City University's seminar. As well as being an MBA, he taught for five years in management schools before going last autumn to test his mettle with Delnair in the Lindustries group.

The problems now facing him are rarely theoretical. As emergency transport manager, for instance, he has lately been much exercised in every sense of the word by how to get lorries up a neighbouring ice-covered hill. But he believes he has learned more about managing in the past four months than in nearly twice as many years beforehand.

Not to say he belittles his management school period. He thinks it fundamentally impor-tant in enabling him quickly to assess the position of a concern and the practical options open to it. Even so, he warned his former students at the City's Business School: "The intellectual sophistication of the textbooks is by and large redundant."

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Salary includes a substantial tax-free allowance poid under Britam's overseus aid programme. Busic sakiry attracts 25% tax-free gratuity.

Benefits include free passages, generous paid leave, children's holidry visit possages and education allowences, appointment grant and interest-free car loan.

The terms on which civil and public servants may be relessed if selected for appointment will be subject to agreement with their

For full details and application form write quoting MC/790114/FF.

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Due to expansion an opening has arisen for a self motivated person fully conversant with all aspects of International Shipping.

Under his/her control will be a staff of approximately 30. This is a demanding role and requires a person with a likeable but strong personality also a person able to relate to Continental Agents and U.K. Customers.

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Company Car Assisted Private Telephone Company Pension Scheme Please write in confidence, enclosing comprehensive details of your career to date to Box A.6631, Financial Times, 10, Cannon Street, EC4P 4BY.

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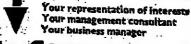
An Assistant Solicitor with at least 3 years' experience since qualification in commercial, corporate or banking

An Assistant Solicitor with at least I year's similar experience since qualification.

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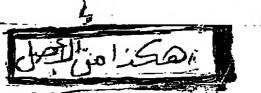
Please reply to Position Number DSU 7159, Austin Knight Limited, London W1A IDS.

Applications are forwarded to the client concerned. therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.



In Germany

Business Manager available with free capacity Offers: Dipl.-Kfm, Karl-D, Bach Box 140 270, D 4800 Bielefeld 14



## Financial Times Tuesday February 6 1979

## Overseas Business Development \*

With the rapid expansion of Irish dairying, exports from Ireland have almost achieved the £500 million level in 1978.

Accordingly, the Board is extending its Management team in overseas markets. particularly in the exploration of new market opportunities for Irish dairy products.

The role will involve identifying, developing and bringing to fruition market opportunities including joint ventures overseas.

A flair for identifying and successfully initiating new business opportunities, particularly in the international food industry, accompanied by a record of profit achievement is required.

The chosen applicant will have an appropriate degree coupled with a successful career in marketing overseas, preferably backed · by experience in corporate development, all at senior level.

Preferred age group 35-45 years. A second language would be an asset. The appointment will be at director level. Please write in confidence to:

Mr. P. McKimm, Secretary, An Bord Bainne Co-op, Ltd., Grattan House. Mount Street Lower, Dublin 2.





SECRETARIAL

APPOINTMENT

SECRETARY/PA

A high-calibre Secretary/PA is required by the Chairman

of an international shipping

company. The post, which is London-based, calls for enthusiasm, initiative, organis-

ing ability and a well-developed sense of responsi-bility. The successful

candidate must be prepared to

work flexible hours and aboute

company director level, a good

educational beckground (in-

cluding ideality a degree in business studies and prefer-

The work is interesting and varied—the Chairman travels

extensively, has other business interests, farming being among them—and the conditions are congenial. Salary

and conditions by spreement.

Candidates are invited to telephone Mrs.: Beil on 01-405 9366.

SECRETARY/PA

This is the complete job for some-one whe, wants to be theroughly involved with confidential accretizate dution at Director level but who also desires executive and adminis-trative responsibilities with career prospects. Some experience of manical or analytical work could be useful but this sepect of the job would be taught. You'll be work-ing in superb modern offices and there is a very long list of excellent fringe benefits which include a house purchase scheme and five

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LEGAL NOTICES

No. 00221 of 1879
No. 00225 of 1879
No. 00226 of 1879
No. 00226 of 1879
No. 00226 of 1879
No. 00230 of 1879
No. 00230 of 1879
No. 00230 of 1879
No. 00232 of 1879
No. 00232 of 1879
No. 00232 of 1879
No. 00232 of 1879
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court in
the Matters of FAIR ENTERPRISES
LIMITED. GRADESINGLE LIMITED. LA
CUCARACHA GALLERIES LIMITED. LA
CUCARACHA GALLERIES LIMITED. LA
CHAUFFURS LIMITED. ESHER FARK
CHAUFFFURS LIMITED SHOW IN
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DRAKE

ably should be single.

## THE IRISH PRESS GROUP

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Salary will be in accord with a newly-revised house agreement. It will be in the \$5,000 to \$9,000 range, the higher scales being applicable to those with proven experience.

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In London Wall have vacancies in their general office for clerks with some S.E. office experience age 17-20, they also have a vacancy for persons with Arbitrage/foreign settlement perience age 20+, salaries for both positions are negotiable and are plus the usual fringe

Eox A8637, Financial Times 10 Connon Street, EC4P 4BY or Phone 628 5788 for an appointment

### WANTED

Egyptian Graduate Mid 30's, Diploma in Textile Technology, 2 U.K. resident for seven years. Ten years' practical/managerial experience in the spinning, knitting, weaving, dyeing and clothing industries. Currently, a technical manager in a dyeing/ printing/finishing mill in south of England. Seeks interesting, remunera-tive work with challenge and

cial Times, 10. Cannon Street, London, EC4P 4BY.

GARGOYLE, 69, Dean Street, Lundon, W 1, NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am, Show at Midnight and 1 am, Mon.-Fri. Closed Saturdays, 01-437 6458.

#### COMPANY NOTICES



JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa) NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

Pursuant to the motion published on 20th December. 1978, members are informed that the rate of sectiones at which payments of the above dividend are to be despetched by the United Kingdom Paying Agents on 16th February. 1978, is 1 Rand of 100 cents equals 57.81929 United Kingdom currency. The grass dividend payable by the United Kingdom Paying Agents is therefore equivalent to 28.90969 per share. DIVIDEND NO. 106

Equivalent in United Kingdom corrency of dividend declared Lest; South African Non-Resident Shareholders' Tax of 14.79% AMOUNT PAYABLE WHERE A U.K. INLAND REVENUE DECLARATION IS LODGED WITH COUPONS.

Less: United Kingdom Income Tax at 18.21% on the gross dividend (see Notes 1 and 2 below).

AMOUNT PAYABLE WHERE COUPONS ARE LODGED WITHOUT UNITED KINGDOM INLAND REVENUE DECLARATIONS...

BARNATO BROTHERS LIMITED.

Société Nationale des Chemins de Fer Français (S.N.C.F.)

Floating Rate Notes due 1985 to 1997 Notice is hereby given that the rate of interest for the period

February 2, 1979 to August 2, 1979 has been fixed at 11 per The Fiscal Agent

KREDIETBANK S.A. Luxembourgeoise

5.2644

CIMENTS LAFARGE 81% 1971/1986 \$US 20,000,000 Loan Notice is hereby given to bondholders of the above loan that the amount redeemable on March 25, 1979, i.e. \$US950,000 was bought in the market.

Amount outstanding: SUS13,000,000. Luxembourg, February 6, 1979.

WESTMINISTER BANK STATER
CERTIFICATES
REPRESENTING SHARES OF THE
GROINARY CAPITAL STOCK OF
CANADIAN PACIFIC LIMITED

USS25,000.000 9 PER CENT
DESENTURES DUE 1939
Copies of the Annual Report in
Accounts of Reducto for the year and
30 September. 1978, are available for
of charge to helders of the above securit
during normal business.
Graenwall & Co., See Balls Foots, Bra
Street, Lendon ECAM SEL ART GALLERIES

THE TRUSTEE

FINIMTRUST S.A.

ASNEW GALLERY, 43 Did Bond St. W.1 01-629 6176. 1080 ANNUAL WATER-COLOUR EXHIBITION. Until 28 February. Ary. Mos.-Fr. 8.30-6.30. Thors. uptil 7. BROWSE & DARBY, 19, Cork St., W.1 CRANE KALMAN GALLERY, 178 Broms ton Road, S.W.S., 01-524 7355, 20th CENTURY SNGLISH AND EUROPEAN PAINTINGS AND SCULPTURE including works by Duly, Grass, Herworth, Mire Moore, Nicholsen, up Dowgen, etc. Unit 20 February, Mon.-Fri. 10-5... Sats, 10-4.

## **LEGAL NOTICES**

named not later than four o'clock in the alternoon of the 23rd day of february 1978.

In the Alghe Court of JUSTICE Chancery Division Companies Court. In the Matter of F. A. WILLOUGHRY LIMITED and in the Matter of The Comoanies Act. 1948.

NOTICE IS HERERY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 29th day of Jenuary 1979, presented to the seid Court by SANDELL PERKINS LIMITED whose registered office is afrueto at Courts of Sandell Petkins. Limited whose registered office is afrueto at Courts of Sandell Petkins. Limited whose registered office is afrueto at Court by SANDELL PERKINS. LIMITED whose registered office is afrueto at Court by SANDELL PERKINS. LIMITED whose registered office is afrueto at Court by SANDELL PERKINS. LIMITED whose registered office is afrueto at Court by Sandell Petition is directed to he heard before the Court sitting at the Royal-Courts of Justice, Strand. London WC2A 2LL on the 5th day of March 1879, and any creditor or contributory of the said Company desirous to subport or oppose the making of an organization of passes of the said Petition may appear at the time of hearing, in person or by his Coursel, for that nurvouse: and a copy of the Petition will be furnished by the undersigned in any creditor or contributory of the asid Company equilibrity of the any comment of the regulated chame for the rame.

REARY & WALLER,

2/3 Hind Court.

Flort Street.

London FC4A 3DC,

REARY & WALLER,

2/3 Hind Court.

Flort Street.

London FC4A 3DC,

REARY & WALLER,

2/3 Hind Court.

Flort Street.

London FC4A 3DC,

Registrictor for the Petitioner.

NOTE.—Any useron who intends to some and address of the firm and must be any and address of the firm and must be eithed to the network of the person of time the any and address of the firm and must be sensed to the open of the said address of the firm and firm the network of the person of the person of the person of the court of the cour

In the Might COURT OF JUSTICE Chancery Division Companies Court. In the Marter of HAWKERGROVE IMITED and in the Marter of THE COMPANIES ACT. THE MARTER OF BUILDING ACT. T Bove-named not later than four o'clock in the afternoon of the 2nd day of March 1978.

No. 00257 of 1879
No. 00250 of 1979
No. 00250 of 1979
No. 00250 of 1979
No. 00250 of 1979
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No. 00251 of 1979
No. 00251 of 1979
No. 00250 of 19

IN THE MATTER OF
THE COMPANIES ACT 1948
AND IN THE MATTER OF AND IN THE MATTER OF

J. WYATT JAR (HAMMACE) LIMITED

IN COMMENT
IN COMMENT
IN COMMENT
IN Section 239 of the Commenter Act
1948 that a General Meetine of the
Mambers of the above-named Comment
will be held at the differe of FLOYT)
NACM & CO. Charrend Accountants,
of 33 CIMOR'S Inn. Fetter Lane, E.C.A.
In the City of Confirmed at 11 45 a.m.
for the followed at 11 45 a.m.
for the General Meeting of the Creditors
for the numerous of receiving an account

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## **APPOINTMENTS**

## Clayton Dewandre Holdings Board member

Mr. Raymond R. Paterson has been appointed a director of CLAYTON DEWANDRE HOLD-

Mr. Harry Lovatt has joined REDIFON TELECOMMUNICA-TIONS as executive chief engineer. He will control product development and be concerned with new product design as well as development of existing products. He takes over those responsibilities from Mr. R. A. Barrs who in a new post is in charge of product planning and development strategy. Mr. Hugh Letheren retains his responsibility for systems design and engineering. Mr. Lovatt leaves the Plessey Company after 10 years where he had a technical managerial position in avionics communications.

Mr. Alastair Channing, at present a principal in the finance transport industries division, Department of Transport, has been appointed secretary to the BRITISH TRANSPORT DOCKS BOARD from February 26. He succeeds Mr. David Dixon who became docks manager of the BTDB port of Fleetwood at the beginning of last month.

The ORTHO DIAGNOSTICS division of Ortho Pharmaceutical UK has now been established as a new Ortho Diagnostics company in the UK as part of the programme to develop the world-wide franchises of the Johnson and Johnson group. Ortho Diagnostics will be within the worldwide Ortho Diagnostics organisation, and will continue to be based at Marlow in Buckinghamshire. The head of the new company is Mr. Brian D. Davis, director and general manager. He was formerly marketing manager of the diagnostics division and has been with Ortho for six years. Mr. Tom Lindsay, managing director of Ortho Pharmaceutical, will be on the Board of Ortho Diagnostics. Mr. Allan of Ortho Diagnostics. Mr. Allan Follett is now marketing manager. Mr. Anthony Castleman, field sales supervisor, and Elizabeth Lindsay, project

manager, in the new concern. Mr. Maurice Parsons has been appointed regional director of the eastern region of TEMCO INTERNATIONAL and Mr. Jack Honey has become general manager at Warrington. The company is owned by the National Freight Corporation.

Mr. David Stevenson has been appointed lesure sites director of HORNSEA POTTERY. He became leisure sites general manager in July last year.

WARNER-LAMBERT

member of the office of the chairman. Mr. Stephen M. McGrath, president, administration for the health care group, has been appointed a corporate vice-president and treasurer. Mr. Dennis A. Miller, assistant

investor relations and pension investments. Mr. A. W. Cox and Professor
Edmund Happold have been
appointed part-time members of
the PROPERTY SERVICES
AGENCY for two years. They
succeed Mr. Andrew Derbyshire
and Professor Alan Harris. A third part-time member of the Board, Mr. Hadley Buck has also been appointed for two years. The agency is an integral part of the Department of the

The Lord Chancellor has appointed Dr. Eric Francis Carr, appointed Dr. Eric Francis Carr, to be a Medical Visitor of mental patients, replacing Dr. Alan B. Mouro, who died in September. Dr. Carr is a senior principal medical officer at the Department of Health and Social Security where he is head of the medical division concerned with psychiatry.

Environment

Mr. Brian Hargreaves, editor of the West Lancashire Evening Gazette, has been appointed a director of the newspaper's publishing company, BLACK-POOL GAZETTE AND HERALD, part of United Newspapers Publications. Mr. Colin Asthr and Mr. Ronald Noble, formerly assistant direc-tors, have been appointed direc-tors of BARCLAYS MERCHANT BANK.

Mr. Denis Heightman, of Thorn Television Rentals, has been elected chairman of the council of the CABLE TELEVISION ASSOCIATION OF GREAT BRITAIN, Mr. Frank Hall, Vistalian of the council of the CABLE TELEVISION ASSOCIATION OF GREAT BRITAIN, Mr. Frank Hall, Vistalian of the council of the cou ionbira, becomes deputy chair-man of the association.

Mr. R. Dickinson has been appointed to the Board of CURRYS and continues as managing director of Currys Group Service, Mr. H. J. Petterion, a former Currys joint managing director, has retired from the Board.

Mr. P. W. Fleming is to become sales director of MORGAN FURZE AND CO. on March 1 in place of Mr. Richard Persse, who is leaving to take up a new appointment in the West Country. Meanwhile, Mr. Jack Breen, a director of the company and institutional business, will depu-

COMPANY has elected Mr.
George Hromadko as vicechairman of the Board, financial
affairs. Formerly senior vicepresident and treasurer, Mr.
Mr. E. R. Brookes has been
elected first president of the
newly formed STONE FEDERATION. Mr. John Bysouth is senior
vice-president. Mr. E. J. Andrews

has become president of the NATIONAL FEDERATION OF medicines group in the UK, Ire-PLASTERING CONTRACTORS and Mr. W. G. Murphy has been appointed chairman of Winthrop appointed chairman of Winthrop appointed chairman of Winthrop appointed the contraction of the prescription of the prescription of the prescription and the contraction of the prescription of the prescription and the contraction of the prescription and the contraction of the prescription of the prescription and the contraction of the prescription of the prescription of the prescription and the contraction of the prescription and the contraction of the prescription of the prescription and the contraction of the contract made senior vice-president.

Mr. John R. Ruddy has been appointed to the main Board of R. P. MARTIN AND 'CO. Mr. Patrick J. Phelan has joined the Board of R. P. Martin Deposits. treasurer, is now vice-president,

Mr. Douglas Barrington, managing director of the Lygon Arms, Broadway, has been elected chairman of the national council of the BRITISH HOTELS, REST-AURANTS AND CATERERS ASSOCIATION, succeeding Mr. Maxwell Joseph Mr. George Hill, chairman Bass UK, has become chairman of the Association's Board of management in place of Mr. Rex Joseph. Mr. Donald Durban has been made vice-chairman of the Board.

Mr. D. W. Beattle was appointed a non-executive appointed a non-executive director of TWINLOCK. He is a divisional director of the National Enterprise Board.

Mr. R. A. Farren, works manager, Mr. B. J. Elliker, UK sales manager, and Mr. R. A. Poulton, technical consultant, have joined the Board of FITTER AND POULTON.

Mr. Anthony Burden has been appointed director of sales, Europe, of CARTE BLANCHE INTERNATIONAL, now a wholly-owned subsidiary of Citicorp, with responsibility for the establishment of its UK and European sales and marketing operations. Mr. Burden was formerly sales director for Diners Club.

Mr. J. F. T. Dundas has been appointed a director of MORGAN GRENFELL INTERNATIONAL.

Smithkline Corporation has formed SMITH KLINE AND FRENCH RESEARCH, and the Board of that company consists of Dr. R. W. Brimblecombe, Mr. L. N. A. Flockhart, Dr. W. L. Burland, Dr. C. R. Ganeilin and Dr. A. M. Roe.

Mr. Mineo E. Randeria has been appointed to the pharma-ceutical division of DIXONS PHOTOGRAPHIC as divisional commercial director and joins the 10 divisional boards in a non-executive capacity. Mr. Randeria has been both financial and commercial director of Wimpy International,

Mr. Peter Orpin has become sales director of EVERBRIGHT PASTENERS; SNW; and METRIC FASTENERS.

STERLING - WINTHROP GROUP is forming its commercial divisions into three business

groups each under a chief execu-Mr. Nell Appleton will be chief

Laboratories in the UK. He joined the company in 1965 and since 1973 has been managing director of Winthrop Laboratories. Mr. Colin Twaite becomes chief executive of the consumer products group in the UK. He started with the company in 1963 and became managing director of Sterling Health last year. Mr. Richard Brown is to be chief

executive of the industrial products group in the UK and is appointed chalrman of Izal. He has been with the company since 1962 and was made managing director of Izal in 1985. Mr. Jeff Wood has been appointed managing director of WINTHROP LABORATORIES UK.

Mr. E. Romaguera will be appointed representative of BANCO NACIONAL DE CUBA, Zurich, from March 1. Mr. G. Roca is now managing director of HAVANA INTERNATIONAL BANK, a subsidiary.

Mr. John Key has become managing director of Messengers (Birmingham) and has also joined the board of its holding company PENTOS ENGINEER-ING GROUP. He has worked within Pentos for three years, latterly as production director of Austin-Hall, a member of Pentos Construction Group. Appointments made within the Pentos Construction Group are Mr. Tony Thomas as managing director of Clifplant, having been sales director of Austin-Hall. Mr. Alwyn Chappell is now production director of Austin-Hall and Mr. Brian Feeney sales director of that company, succeeding Mr. Thomas.

Mr. F. Ward has been appointed a director of JOHN CARR (DONCASTER).

Mr. R. Slater has retired from the Board of WHESSOE,

Mr. W. Adams has resigned from the Board of GRINDLAYS BANK.

Mr. J. A. McCleery has retired from the Board of BICC.

Mr. Harcel Cucni has rejoined the PORTMAN HOTEL as con-troller and is on the executive committee which runs the hotel. Mr. Cueni joined the hotel in 1975 and then moved within the group to the Intercontinental at Hyde Park.

Mr. Peter Stevenson, a director of Noble Grossart, has been appointed a non-executive director of the Board of WM. LOW AND CO.

Mr. Enver Jamali has been appointed chairman of PAKISTAN INTERNATIONAL

This announcement appears as a matter of record only

November 1978

## Superintendencia do Desenvolvimento do Nordeste (SUDENE)

¥20,000,000,000

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The Bank of Tokyo, Ltd.

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The Dai-ichi Mutual Life Insurance Company

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The Long-Term Credit Bank of Japan, Limited

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Brasilinvest S.A. Banco de Investimento

The Nippon Credit Bank, Ltd.

11/1

potential in Europe or the Mid East. Write Box A.6634. The Finan-

CLUBS

have been tantamount to heresy

within Guest Keen and Nettle-

folds to have viewed the Govern-

ment's takeover of its steel activities with anything but horror. Yet Trevor Holdsworth,

managing director and deputy

chairman of this giant engin-

e seen to stem from the nation-

it had been doing and to pay

greater attention to where it

should be going. On examina-tion GKN found it was in 120

separate identifiable businesses

how Holdsworth describes it.

WITH SMALL business in the

U.S. accounting for over 97 per

cent of the total number the

assumption can be made; and

often is, that small business in

However, a recent report

committee of the House of all to

Representatives has concluded pointed

" economic concentration.

issued by a small business sub-

riding the tide of an unpre-

monopoly power continue to

gnaw away at the foundation

The report notes that efforts

system — the small business."

to protect small business began

in the U.S. as early as 1890 with

the "trust-busting" Sherman Act. Several legislative battles

later, in 1953, Congress created

the Small Business Administra-

tion (SBA); to provide counsel-

ling and financing to small busi-

nesses. In 1977, the SBA dis-

pensed about \$3.3bn to about

Despite such assistance and

32,000 firms.

the U.S. is thriving.

a messy conglomerate

line of acquisitions.

Jason Crisp on how a British engineering giant is 'simplifying' its business

## GKN: getting down to nuts and bolts

eering company can lean back in his chair and with a smile investors are increasingly looking at a company's business and reflect: "Looking back now, ing perhaps we should have wel- are happier if it is more comed the nationalisation of our identifiable. One problem over the ten-year period following the steel interests . . . in retrospect it might have been a help."

nationalisation of steel was that Not a hair turns nor is that so the company still hankered after that metal. GKN was maksurprising given the state of the ing almost instictive decisions Many of the changes currently taking place within GKN can taking it back towards steel-"Old habits die hard," says Holdsworth. One example alisation of steel-for the Holdsworth. second time in 1967. Since then the company has grown from a Firth Cleveland which he says turnover of £355m to one of was an "old style" purchase.

£1,639 for the year ending Until GKN began to review December 31, 1977. Much of its activities in 1977 the impetus the growth comes from a long of the company's growth had come from the bottom up and After a decade of growth, the company decided about two one of the things to come out of the review was that the corporate direction should be led from the centre. One reason vears ago to take stock of what behind this decision was the realisation that to exist in a post "oil crisis" economy needed a definite strategy. It was no longer enough to rely on simply growing in a growth economy.

"We are looking at a big "a conglomerate as a philosophy is a nonsense," he change in the world economies: after the oil crisis, it is quite There are two reasons for different from what went before this: first, he believes that and growth is going to be much We have to work in an international company, smaller. managers of the business cannot against that condition. keep track of too many dif- are going to manage against low ferent products and markets. growth' we need to be more Second. Holdsworth says that highly competitive and therefore

"the evidence and data

lead to the inevitable conclusion

that these good-faith efforts on

the part of the Federal Govern-

ment to aid small business and

number of small firms (except

subcommittee concluded that market. From 1950 to 1976 the the newspaper industry 170 com-

reverse the trend towards

Since statistics are there for

use, optimists have

to the increasing

says Trevor Holdsworth. Easier said perhaps than achieved. But GKN decided that it needed to develop a comprehensive long term strategy and also to re-organise if it was to move towards achiev-In order to develop a central strategic leadership the senior

more. A company should know what it is good at and go for it,"

re-organised.. Before the reorganisation, the top tier of management was muddled. The main board included, among others, three of the 20 chairmen of the sub-groups into which GKN was divided. This presented these particular directors with a certain conflict between their group's interest and that of the whole company. There were also a number of disparate sub-committees determining policies on personnel. marketing and technology having only Sir Barrie Heath. chairman of GKN, as a common

The reorganisation of the Board reduced the number of committees to two. The chairman's committee, consisting of Sir Barrie and the non-executive directors, and a management committee chaired by Trevor function, such as finance or Holdsworth, and consisting of R and D. When policy is being ing companies are still profit and distribution business area.

COMPANIES SOLD Cleveland Lead to Billiton (March 1977)

(March 1977)
Boscowibe Engineering to 4
employees (August 1977)
BKL Cathodic Protection Division
to ISC Alloys (January 1978)
Carlson Ford to APV Holdings
(October 1978)
Firth Cleveland Ropes to
John Shaw (November 1978)
COMPANIES CLOSED
(Jobs lost 1,900)
GKN Sankey Plastics Division
(September 1978)
GKN Sankey Bumper Division (September 1978)
GKN Sankey Bumper Division GKN Sankey Bumper Division (September 1978) Precision Forgings (June 1978) Abercrowe works of GKN Nuts and Bolts (June 1978) Fooderick Mountford

Frederick Mountford (December 1978) Hot Nut Works (December 1978) Automotive Fasteners (Glasgow) (March 1979)

executive directors. three former chairmen of the sub groups now devoting themselves fully to Board duties. One of the tenets of the management committee is that between them the directors cover all areas of responsi-This is achieved by giving each member three types

of responsibility: 1-products

and market; 2-territory: 3-

It continues to be GKN policy that management decisions should be made at the lowest applicable level-all the operat-

Trever Holdsworth: "A comp

should know what it is good at

and go for it."

discussed it means there is

always someone responsible for

tion is, first, to ensure that the overall strategy of the company

comes from the centre, and

second, to improve communica-

within

The result of this re-organisa-

any aspect.

tion laterally

centres. The constraints on the lower levels of management contique to be financial per-formance and overall company

The strategic planning pro-cess, although well under way is for from complete. One decision which has been made garden tools-to retail outlets. is that the 120 separate busi-nesses in which GKN finds itself are too many. The long term objective is to limit the company's activities to five main

So far the company has only identified two of these mainstream husinesses in which it has firmly decided to stay for a number of tentative ones. The identified businesses are automotive components and indus-trial and wholesale distribution. Over and above setting down nainstream businesses GKN has

also looked at those constituent parts and divided them into two categories. One is "maximum support, which means the company is giving this area priority for growth and the other is what GKN calls "ongoing" support which is to sustain the business at its current level and maintain market share.

Holdsworth is anxious to emphasise that both policies An example is the industrial four main businesses: steel services, which is largely stockholding; after sales automotive parts; distribution of industrial fasteners and components; distribution of hardware—all makes from ironmongery to

Almost all of the wholesale business has been defined as a maximum support area by GKN. The exception is steel stockholding where it already is the largest in the country, with over 20 per cent of the market. This has been designated "engoing support"—that is, it should maintain that share.

Similarly almost all of the automotive component activities are rated as a "maximum" support area. Generally speaking the support sector to which any particular part of GKN has been remains secret. allocated although senior management,-the top 40 below hoard levelknows which category their own grouping comes into.

The relationship between the main business areas chosen by GKN and the geographic strategy it is also pursuing are closely intertwined. Historically, GKN's market has been Commonwealth based and now the emphasis is becoming increasingly oriented towards Europe and North America. This is par-

pagents—which might be described as the apple of the corporate ere. GKN's products naturally re-

quire markets within large, mature and highly developed economies. And as it amplifies its business so it needs to expand its markets in which its

products are sold.

Not all of the mainstream business groupings have been finally decided on, although these will obviously bear a close relationship to existing main furnkcy contracting, industrial and constructional services and manufacture of special steels; but Holdsworth does not rule

out totally new areas. But by concentrating business into a lireted number of themes it also means that those parts of the business which do not in into the grand scheme must be divested. Holdsworth believes that keeping on an operating company which did not belong in a major group could rum it: "in the end something will go wrong." divestment programme will probably involve about 12 per cent of GRN's net assets, includ-

ing companies sold or closed

(see table). Another aspect of GKN's new direction is that growth will have much less to do with acquisitions and much more in do with organic expansion, says Roldsworth. Which is not to say that GKN won't still be buying companies, although it may be less keen on picking up too mixed a bag which needs much divestment afterwards. post steel nationalisation lesson

has been to keep the company ticularly true of automotive com-in businesses it knows well.

## New efforts to stop decline of small business stake in U.S. economic pie

BY NANCY DUNNE, IN WASHINGTON

1947 and 1977, the number of sentatives have been gulled into

in manufacturing) and the redented merger wave, and decline in their failure rate, as a sign of small business health. The subcommittee, though, sees assets from 47.7 per cent to daily newspapers. The of our competitive economic danger in the decline in the importance of small business in the overall economy. The report cited a trend sales by the largest manufacturtoward greater economic concentration. which, without 1972, and a steady decline in 40 coffee roasters today comthe percentage of sales earned pare with 261 in 1963. direct government intervention, is likely to continue. "It has by smaller firms.

become readily apparent that an increasing number of small businesses are being forced to share in a decreasing 'piece' of the 'economic pie'." it said. large businesses increased from 29.6 per cent in 1948 to 44 per report. In manufacturing and retailcent in 1972. anti-trust efforts by the Federal ing, big companies are becom-Mergers and failures have led

200 largest U.S. manufacturers panies now own approximately increased their share of market 80 per cent of the nation's 1,762 58.8 per cent. Census bureau brewing companies in 1947 had figures show an 8 per cent in- declined to 108 by 1972. The crease in the percentage of number of independent dairies ing firms between 1963 and 1964 and 1976, and the estimated

The decline of the importance In retailing, the subcommittee of small business is due in part spotted the same trend. The to changed market and economic percentage of total sales by conditions and in part to government policies, according to the

Advertising has had devastating effect on many small businesses. In 70 consumer product industries studied between companies declined in two-thirds the acceptance of monetary of those industries Over 80 per cent of those industries in which declines

occurred used beavy advertising. Inflation and the rising interest rates used to control it hit small firms the hardest. J. K. Galbraith, the economist, told the subcommittee. Credit is generally vital to small firms who are less likely to get it when the squeeze is on. small." Mr. Galbrait " Being Mr. Galbraith said such firms cannot pass the higher interest costs of money on to their customers . . . I must say the mystery of our time is how readily and completely

small business and its repre-

policies that could not be more precisely designed to do them

Small business is also hit by the burden of government regulation and red The Commission Federal Paperwork estimates that small businesses spend approximately \$15bn a year on paperwork imposed on them by various federal agencies.

If small business is in trouble. awareness of its problems on Capitol Hill, and in the administration. The sub-committee rethe "sympathetic climate" that and he has appointed a new to make American production small businessmen thief counsel for advocacy at what it was in the past.

had been hoping for. The country's conservative

drift has produced a number of new members of congress spousing "neo-conservatism which favours small business over large, and many leading liberals like Senator Edward Kennedy are also reportedly looking favourably on hills to help out small business.

As a result of the subcommittee hearings Congress last year took what many hope will be a first step in a policy of treating small and large businesses on different terms. It passed a graduate corporate income fax which requires that companies with a taxable income of less than \$25,000 a year, pay a tax rate of only 17 per cent.

Companies with a taxable income of more than \$100,000 have a 46 per cent tax rate.

President Carter, a former it is at least finding a greater small businessman, is also sympathetic to the problems of small business; he has asked all federal agencies for suggestions port itself is an indication of on means to aid small business,

the small business administration. A White House conference on small business is scheduled for January 1980

The great weaknesses in the American economy - inflation and declining productivity-are very much responsible for the renewed interest in small busi-

Traditionally, smaller firms have been the leading innovators who produced the technological advances which spurred productivity. A national science foundation study for 1953-73 found that small firms produced about four times as many inno vations per research and development dollar as mediumsized firms and 24 times as many as the largest firms. But small business, in recent years, have received less than 3.5 per cent of federal research

Small business supporters believe a flourishing small business sector can create the competition needed to stem toflation and can produce the technological advances needed to make American productivity

Justice Department, the House creasing their control of the

Commission and the ing bigger and are steadily in-

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## MACHINE TOOLS Handling time cut by controller

NUMERICAL control can open up many new possibilities in project planning and in workshop production efficiency, yet entirely automatic and tapeappraisals of new or replacement equipment are frequently required, based on performance compari- Freed from the need to sons with existing units exclu-

Much more is possible than direct cost savings, according to Matchmaker Machines. Because in production can be obtained numerical control offers repeatability and versatility, there can operator. also he significant improve-ments in materials handling and the flow of work within the shop. Its new Matchmaker CNC 700 mill, for instance. will permit the user to cut production times, allowing him to handle a greater volume of work. But it will also, immediately, demonstrate its ability to save on materials handling time and reduce workflow within the machine shop,

Multiple work-stations can be reduced to a single one, which is where the economy in handling comes" in. At the same time, work-in-progress stocks can be reduced to a very great

of recent Acis to reduce the amount of foise workers are

subjected to during the course

of the working day. However, determination of what is producing the noise and of the best means of counteracting it is no easy task.

east Task

Research Association has made
a special study of the problem

SAWING WITH a minimum of material handling is possible with a program controlled

to cut large quantities of a wide

lengths from stock. The opera-

Reducing noise

Programmed cutting

SO23 7RX (0962 60371),
Main use of the PKS 130PM and feed rate,
will be where companies have On the take

MANAGERS OF machining and is now a leader in noise shops are required by a number analysis. The association is

fully automatic cold saw put on the market by Rivers Machin-ery, Winnall, Winchester, Hants of the various lengths and quan-

variety of har sizes and bar in conjunction with the pro-

tor can load up to eight separate into separate compartments.

from initial positioning of the workpiece upon the table, are controlled. No marking-out is

handle the workpieces, the machine operator can concentrate on quality and output. Very high standards of accuracy

Since work is produced with greater accuracy, less finishing is required and inspection time is reduced. Elimination of a multiplicity of jigs and fixtures should make CNC highly competitive with traditional methods of production.

during the same machine cycle. Two or more pieces can be com-bined for separation later, all from a single tape.

Matchmaker Machines, Central Way, Faggs Road, Feltham, Middx, TW14 OUY, 01-890 6551.

offering a one-day intensive

course in analysis to pass on

what it has learned to designers,

development and production engineers. It could interest engineers in many other areas.

The course will take place on April 25 at the MTIRA Work-

shops, Hulley Road, Macclesfield.

partments on a moving platform adjacent to the saw.

The jobs are then programmed on a console in terms

tities, together with blade speed

On the take-off side of the

saw is a system which works

gram to sort the cut lengths

# components

to mereasing control by fewer

firms in many industries. In

INTENDED primarily for small batch chucking of parts with ners Line, Milton Keynes, MK11 371, 2000 (1998) 381, (1998) 567114). full-front splash guard which and the cachettes can be used at combines safety with easy least 500 times. access to the machining area.

quick entry for the removal and reloading of chuck workpieces. Spindle motor power is 5kW 6.7 HP) for higher productivity. Tooling options are extensive and there is provision for mounting a single tool holder above the standard & station hydraulically-operated

This Weiler lathe is available from T. B. Robertson Group, Robertson House, Caxton Way, Holywell Industrial Estate, Watford, Herts. WD1 8UA. Watford 353338.

turret.

## An additional advantage is a link-in facility which permits more than one component to be made from the same blank and consider the control of the control o gauge the gears

PROMISING to be one of the PROMISING to be one of the largest displays of gear measuring devices ever shown in the UK. Is the selection appearing on the stand of George Kuikka, Hill Farm Avenue, Leavesden, Watford, at Inspex 79 (April 2-6, NEC. Birmingham).

Range includes Carl Mahr machines and gauges, double flank rolling machines for gears of smallest dimensions, such as instrument gears, watches, clock to automotive gears, and machine tool gears into very large rolling mill gears. All aspects of measurement on these gears will be demonstrated, including techniques such as pitch measurement with

Highlighting microprocessor development. Feinpruf has developed a completely new generation of inspection units based on this technology. This applies to simple single length gauging, as well as highly sophisticated curvature and contour gauging, as required for television tubes, crankshafts, etc. says the company.

Precision bore measurement by mechanical, electronic-and pneumatic gauges will also be

Further on 09273 70611.

### AUTOMATION

## Logs events and analyses data

by Penambra Systems, 9, Bur- For particularly high pulse

130mm diameter, but capable Events are recorded not on also of turning workpieces up the customary magnetic tape to 350mm between centres, a but on 100 x 80 x 10 mm solid new computer numerically con-trolled centre and chucking over 8.000 four-bit words. Data lathe is fitted with a new lift-up is retained for at least five years

Data is entered from any sen-The guard also incorporates an sor that produces a series of conadditional opening to allow tact closures or TTL level pulses and is recorded at pre-determined intervals, the maximum count for each interval being over 16m. The number regis-tered is coded and put into the

flow meter, for example—the input count can be scaled before writing. For each cachette used a header message is written carrying the logger's serial number, time and date, and the currently set recording interval

repetition rates-from a turbine

which can be between 7.5 mins The company can supply a cachette reading system based on a PDP 11/03 minicomputer

and eight hours. and floppy disc, or alternatively the full cachettes can be sent to

#### Penumbra where the data will be converted to line printer list-CONSTRUCTION

Controls, 77 Scrubbs Lane, Lon-don, NW10 (01-960 0111). The Operated hydraulically, the

unit can be installed in an eight inch recess so that site prepara-tion is minimal and the cost of building work fairly low. Its design makes it suitable for all car parks, including multi-storey buildings with presed or suspended floors, or where ceiling height is limited. Hydrakerb is intended to con-

Traffic control barrier A RISING step traffic control trol vehicles with an axle weight barrier called Hydrakerb, built not exceeding five tonnes and to British Standard 4469, has is supplied with traffic lights been put on the market by APT and a free-standing power pack

> The barrier has a heavy gauge steel chequer plate top surface and is finished in yellow and black stripes. It can be raised in three seconds and can be instantly reversed. Should the mains fail, it retracts immediately.

The associated hydraulic equipment can be sited up to 10 metres away.

## Shelves slide into place

brackets are simply slid into a backplate which has been screwed onto a wall, there is no need for uprights to be used in a shelving system available from Elegant Living, 618 King's Road, London, SW6 2DU (01-

BECAUSE new design shelving fies installation and particularly brackets are simply slid into a for the do-it-yourself enthusiast,

there is a great saving in time and fitting. Narrower, single shelves can be fitted over radiators, or in the bathroom, but where a centre bracket is used, shelves can take heavy items such as Apart from the aesthetic can take heavy items such as benefit of uncluttered walls, the elevision sets and hi-fi equipelimination of uprights simpliment, says the maker, Pollard

## full documentation for indivi-dual pitch error as well as Sawmills in Honduras

ENSO-GUIZEIT OSAKEYHTIO the eastern parts of central and Corporación Forestal In-dustrial de Olancho S.A. (Corfino), of Honduras, have sigued an agreement concern-ing technical co-operation in connection with the building of at least two sawmills, which constitute the first phase of the so-called Olancho project. Enso's technical experts will assist and instruct Honduran

forest resources, sylviculture, wood recovery, and building of production plants The resources, situated in

partners in the optimal use of

Honduras, con of which 500,000 are pine exclusively, corresponding to 32m cubic metres of wood raw material. The total costs of the Olancho project are estimated at \$600m, which includes the construction of three sawmills, a pulp mill and a paper mill, as well as forest truck roads and harbour installations, which are already under construction.
The combined capacity of the first two sawmills will be about 315,000 cubic metres of sawn goods per year.

## CONTINUOUS UNATTENDED cachette and for a typical interings, punched paper tape or event logging coupled with a val of say, 30 minutes, the industry standard magnetic data analysis service are offered capacity of the store is 56 days. tape. Statistical analysis is also offered.

Operating for one year from batteries, the logger measures  $450 \times 340 \times 140 \text{ mm}$  and weighs 7 kg. Working temperature range is -15 to +50 degrees C.

## New circuit breakers

SIEMENS reports that it has introduced a new generation of circuit breakers to accommodate many differing national standards and practices."

in common with many manu-facturers, a modular concept is used employing three widths, to extract the recovered oil two heights and two depths, All from the fibre. The fibre can the cases are in moulded plastic recover machine, animal or

tion. The SVE motor circuit breakers are available with ratings from 63 to 630 amps and have delayed adjustable releases for overload protection and fixed instantaneous releases for short circuit protection.

Type 3VN are to protect

motor starters, with five ratings from 100 to 630 amperes, while the 3VT units are intended for distribution circuit protection church 6868. in values from 190 to 1250 amps.

## PLASTICS Bike wheel made in one operation

A COMPLETE bicycle wheel in a copolymer plastics material has been evolved by Bernard Mozzi Motors in Italy, by injection moulding circular frame, spokes and hubs in one opora-The polymer used, introduced

The polymer used. Introduced by Montedison will, the company claims, ensure a bicycle with the same resilience as that obtainable with traditional wheels. It has already undergone two years testing.

According to the wheel maker it is possible to make 60 units an hour with no need for further assembly operations. ther assembly operations or

balancing. Each of the wheels weighs only 700 grams, about 70 per cent that of a traditional wheel. The U.K. address of Montedie 1 is 7, Lygon Place, Ebury Street London SW1W OJR (01-740 1195).

## POLLUTION Picks up **гршеа** оп

JANUARY, a London Chamber of Commerce mission to Singapore, Malaysia and Thailand showed a range of mechanical oil pick-up systems designed to recover oil spillage from accidents on factory floor to harbour, estuary and coastal spills-with considerable Wircess.

The manufacturers, Oil Recovery International, expect to develop business worth between \$11m and £2m over the next two years as a result of the interest expressed by government officials and distri-The machines rely on the use Study butors.

polypropylene material, which picks up oil by adsorption and is used with equipment designed and are constructed for butting vegetable oils with a maximum side by side installation.

There are three kinds in the supplied in the form of a hand side by side installation.

There are three kinds in the supplied in the form of a hand range, designated by applicamop for use with hand-operated extraction equipment, and in the form of 15m or 31m long 150/300mm-diameter. four-piy operated extraction equipment. The machines have been recommended for use by Warren Springs Laboratory. Further information from Oil Recovery International, Tuckton Bridge, Christchurch, Dorset. Christ-

## Keeps the bench clean

DEVELOPED BY Microflow Pathfinder, Minley Road, Fleet, Hants (02514 28441) is a blown air downflow workstation for use in the electronics, medical, pharmaceutical and industrial fields where the end product has to be as free as possible from OFFERED BY Ro airborne contaminants.

Air is blown straight down on the work area at about 0.45 metres/sec and leaves through perforated sections on the bench surface; it is then ducted to the upper fan station where it passes through a pre-filter and main filter, the latter removing particles in the 0.02 to 2.0 micron range.

The units can be fixed together to form extended process or assembly lines. Noise level at 1 metre from the unit is only 58 dB, achieved fixing the centrifugal fans on auti-vibration mountings, and the low speed of operation. The units conform to Ameri-

can Federal Standard 209B Class 100, and to British

Standard 5295 Class 1.

make ideas take shape

## • RESEARCH **Pipeline**

of a Shell-patented fibrillated PROBLEMS of repairing pipelines under pressure are to be studied for two years by Batelle's Houston Operations and Columbus Laboratories, provided that some 17 com-panies agree to invest about \$5,000 a year in the work.

A typical hazard is a burnthrough during welding; or hard, crack-susceptible zones may form in the pipe wall next to the weld. In addition, the pine contents may become over

Among the aspects that may be looked at are the minimum thickness of material on which welding can be carried out with-out a burn-through, the pres-sure levels that can be maintained without burn-through, the effects of the pipe contents and their rate of flow, and the limit of welding energy that can be employed, More from Battelle at 2225 West Loop South, Suite 320, Houston, Texas 77027.

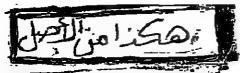
## COMPONENTS **Proximity**

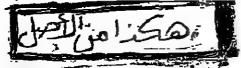
OFFERED BY Robertshaw Skil. Greenbey Place, East Gilli-brands, Skelmersdale, Lancashire WNS 9SB (0695 23671) is a solid state profimity, or limit, switch operating on the eapacitance principle.

When a plate fitted to the moving part that is to be stop-ped approached the unit, a sentconductor switch operation will stop or reverse the motion. Encapsurated to withstand extreme shock, vibration and

a custom-utit chip and con-operate in a temperature range of -40 to +120 deg. C at vibration levels of ±30g, on any axis from 10 to 500 Hz. Use of the capacitance principle allows very precise setting and control and the absence of moving parts ensures long trouble-free operation.

moisture, the unit makes use of





Financial Times Tuesday February 6 1979

# -CITROEN INCREASE-FAMILY ALLOWANCES.

towing up to 1/4 tons, as the tow-bar is kept at a constant height, mini-The Citroën CX Familiale is the first eight seater vehicle that

neither feels like, looks like, nor drives like a bus. So at last the driver who on occasion needs a large passenger carrying capacity has a civilised and economical alternative to either a second car or public transport. **PASSENGERS OR PARCELS?** 

The Familiale's seating is arranged in three rows. Two bucket seats in the front row, three individual bucket seats in the second row and a bench seat for three in the back row. And it is a pleasant surprise to discover that all the seating is of the same exceptionally high standard that has made CX a byword for comfort.

Of course if all the seating were fixed and static, the Familiale's carrying capacity would not be used to the full most of the time.

So the entire back row folds flush down to the floor and allows the Familiale to be turned into a five seater estate car instantly, with greatly increased luggage space.

### A TOUGH CUSTOMER.

Seats apart, the Familiale is identical to its stablemate,  $the CX\,Safari\,E state.\,Those who are familiar\,with\,the\,Safari\,will\,know$ just what good news that is. But for those of you who don't, it means that you can load well over half a ton into the Familiale, arrange it any way you wish, and still the car will remain level. As a result roadholding remains outstanding whether the Familiale is fully loaded or not.

This, of course, is due to Citroën's unique hydropneumatic suspension. All four wheels are independently suspended, and height correctors automatically adjust to ensure the car remains at a constant height from the road. This system makes for a superlatively comfortable ride even over the roughest roads. The self-levelling aspect of hydropneumatic suspension also ensures trouble-free mising the possibility of its touching the road on sharp hills and dips. QUIETLY DOES IT.

> When it comes to interior refinements, estate cars are more often than not the poor relation. This is not true of the Familiale. Comprehensive soundproofing ensures that any noise inside the car is due almost entirely to its occupants. It is sumptuously carpeted throughout, and for upholstery there is a choice between luxurious jersey cloth and tough hardwearing Boxline, ideal for sweet loving

children and mud loving dogs! The front seats recline fully and have adjustable detachable headrests. The driver's seat is also height adjustable.

VariPower steering is standard, making the Familiale a completely effortless car to park even in the most confined spaces. But VariPower also has a unique advantage over other power steering systems.

The steering gets progressively firmer with increasing feel as the Familiale goes faster, so long distance high speed cruising is much less tiring.

Another relaxing feature for the driver is the imaginative yet sensible fascia layout. All the instruments and the comprehensive array of warning lights can be seen at a glance and immediately understood through the distinctive single spoke steering wheel.

## A TOUCH OF CLASS.

Performance too, puts the Familiale into a totally different class. Top speed is a swift 108 mph. Getting there is simple, especially with the optional C-matic transmission. Yet petrol consumption is quite extraordinarily low for such a big car. For example, you can confidently expect to achieve 30.7 mpg (9.21/100 km) at a constant 56 mph (90 km/h).\* SAFETY FIRST.

There are safety features in abundance. Fully-powered disc brakes always ensure full braking efficiency. Both front and rear ends are energy absorbing, helping to prevent damage reaching the rigid passenger compartment. In harness with its surefootedness, these features make the Familiale one of the safest cars ever seen on the roads of Britain.

A word of reliability. Underneath the Familiale's classic lines is a ruggedness of construction easily the equal of that found in its uglier competitors. Major services are only required every 10,000 miles. In addition, like every CX imported into Britain, the Familiale is given an extra thick underbody seal to keep the British climate out.

All in all, the Familiale is arguably the best family car you can buy. Because, with its uniquely flexible seating arrangement, it can take on any number of shapes and sizes. Just like families.



## The unnecessary commission

BY COLIN JONES

attempt to widen the discretionary powers of the Price Commission by removing the profitability safeguards. Doing something about prices has been the automatic reaction of every government in the past decade and a half when they have sary to be seen doing something about inflation. The more interesting question to consider is whether we need to have a property of the state of the

The case for having such an institution was summed up by Lord Cockfield, the Commission's first chairman from 1973 to 1977, in an article in The Three Banks Review last year. The two conclusions he said he had drawn from his experience of administering price controls were, first, they may be neces-sary when drastic measures are required but their main justification on such occasions is as the other half of a pay and prices policy and controls of that character cannot last long.

Secondly, there was a need or "a permanent facility to protect the community at large in the field of pricing.... We suffer in this country from market domination, price leadership, parallel pricing, the lack of effective competition, unwillingness to compete on price . . and a cost-plus mentality."

### Surrogate

The latter argument has been developed further by Mr. Roy Hattersley, the Prices Secretary, since he re-constituted the Price Commission on the lines of Lord Cockfield's "permanent facility" to do, what counts is implementin 1977 when the Government's ing new ideas and that requires formal pay policies were drop-ped. First, the consumer needs ship with all levels of the an assurance "that prices are not increased when there is no necessity for them to be increased." Secondly, we need "a surrogate for market forces to encourage efficiency in areas where "the cold wind of competition is not blowing very

These may seem persuasive words but they discount or ignore three cardinal points, about, First, they gravely under-estimate the extent to which competition prevails. It would be charitable to overlook Mr. Hattersley's choice of words in the second reading debate on h's Bill last week when he said that the Commission's work is most an eventual merger between valuable and important when it the Price Commission and the looks at prices in sectors that Monopolies Commission.

in black and white

BBC 1

9.10 am For Schools, Colleges.

12.45 pm News, 1.00 Pebble Mill. 1.45 Playboard, 2.00 You and

Me. 2.14 For Schools, Colleges. 3.25 Pohol Y Cwm. 3.53 Regional News for England (except Lon-

NO ONE should have been are less than perfectly competisurprised by the Government's tive" (my italies). This no doubt was a slip of the tongue "perfect competition" is a con-cept used only in the economic text-books of an earlier genera-

tion.
What is important is effective competition. Measures of output concentration can mislead even when competition from imports power, are not necessarily in-efficient as many Monopolies Commission and one or two Price Commission reports have testified. Those who doubt the extent to which effective competition prevails should ask themselves why it was that most companies were unable to raise their prices to the levels the price code permitted in 1975-77. even though the average real return being made by industry was barely a third of the level of the '60s and only half of that of the early '70s.

#### Political whim

Secondly, is any body such as the Price Commission, which has completed 30 price investigations in 18 months, capable of achieving the tasks Mr. Hattersley has in mind? As experience of the Price Commission and the Monopolies Com-mission—and of similar activi-ties by the Federal Cartel Office in Germany-have shown, there is room for more than one view on what is a "just price" or a "just return" in differing sectors of industry. As for efficiency studies, even if the Price Commission had acquired a record of percipience in this area, which it has signally failed company concerned.

Finally, promoting market pressure is the function of competition policy which already has its own galaxy of institutions. One cannot make a distinction between industrial structure and industrial be-baylour, as Mr. Hattersley tried to do last week. Structural solutions are not easy to bring about, especially in the nationalised sector, while rules about behaviour are at the heart of competition policy. The Government's use of prices policy to further the political whim of the moment can only weaken Mr. Hattersley's case for

6.20 Nationwide.

8.10 Blake's Seven. 9.00 News. 9.25 Boxing:

10.15 Harold Macmillan at 85

12.00 Weather/Regional News. All Regions as BBC I except at

don). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory Writing Competition. 4.40 Star Turn. 5.00 John Croven's News-

6.55 The Osmonds (London and South-East only). 7.25 The Variety Club Awards.

(U.S.). talks about the past and

10.55 Tonight. 14.35 On the Rocks.

the following times: Scotland-5.53 pm Reporting Sectland. 6.15-6.25 Party Political Broadcast by the Scottish National Party. 6.25 Join BBC 1

round. 5.10 Grange Hill. 5.40 News. 5.55 Nationwide (London and (Nationwide). 6.55-7.25 Songs of Scotland, 10.55-11.35 Tuesday South-East only). F.T. CROSSWORD PUZZLE No. 3,890

# 23

Weapon giving two signs of acknowledgment (8)
 Courage coming from liquor?

10 Fat order going to both ends of store (5)
11 Leaving some French art in pure setting (9)
12 Said wrongly soft fruit may 13 Backward college, note, but

14 Girl in bed doesn't make the grade (6)
15 Bacon fat with nothing on (7) 18 Carriage seen over and under 21 Fixed with close attention— the rails? (7) as Arabs may be? (6) 20 Professional

the rails? (7)
Professional reviewer gets 23 Essential inside if in the little credit before one muscular spasm (6)
Fish mentioned in Gospel

as Arabs may be (10)
SESSENTIAL inside if in the plural (5)
SOLUTION TO PUZZLE
No. 3,889 muscular spasm (6)
22 Fish mentioned in Gospel rerse (5)
24 Choice for southern poil (9)
25 Strained about four but un-

remitting (9)
26 Cross, if quiet, would be the

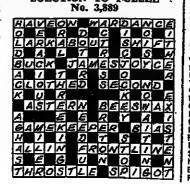
main robber (5) 27 A learner surrounded by blood-in abundance (6) 28 Attract attention in added money (8)

DOWN 1 Caught noisy youthleader?

It's not quite clear! (6)
2 Exaggerate like the American 3 Lazy business associate (8,7) 4 Strange people start taking

scrap (7) 6 Comrades like Bonnie and Clyde (8, 2, 5) Stir up nothing in colour (5) 8 Walking with teamleader to Berkshire town (8) 9 Split pairs left twisting (6) Begin to speak with one drink inside (9) 17 Employing her within for attendance (8)

19 Erosion I caught in the country (6) 20 Girl and senior officer taking shelter to the north (?)



# How to choose a tape recorder

THERE WAS a certain irony last week when I took to lunch the director of the Consumers' Association-overlords of the Good Food Guide. It wasn't the sudden panic that overwhelmed me when for a split second I thought that my club's head chef was off duty or the silence that seemed to envelop the dining room when the waiter handed me the wine list to choose. It was later, when I began to call in the hi fi shops to make a hasty purchase of a portable audio-cassette recorder (to replace an old one) which was needed for interviews this

veek in New York. director of the Consumers' Asso-ciation have said if he could have heard the responses from shop assistants in my quest for a new tape recorder? I went only into the yery largest hi fi shops where choice is extensive and, it is hoped, some experi-ence resides behind the counters.

"I wish to buy a compactcassette portable tape recorder -small enough for a coat pocket, adequate to record a number of people seated round g table. Which one would you recommend?"

The answers ranged from the imbecilic (" I only work here ") to the dishonest-the man who did not recommend the Sony, and coincidentally didn't have one in stock; but he later agreed it was very good because he

reasonable ones for the discerning buyer to pose. It soon bediscover, but it is difficult even to find shop assistants who understand what you mean.

The sensitivity and characteristics of the microphone are important. A microphone and tape recorder with low sensi-tivity, adequate perhaps for close-to-the-mouth dictation. is What, I wondered, would the room discussion; and some microphones are very direc-tional: excellent for picking out audible.

Recorders with built-in microphones should be tested too. for any tendency to pick up the motor noise of the recorder a recorder has no jack socket ask to hear a recording pl for an alternative microphone, back on larger equipment the usefulness of the recorder is greatly limited.

with a pocket recorder because travelling overseas, this can pose real problems.

The replay quality of a pocket Signal-to-noise ratio on the recorder should be regarded as specification is a measurement

With little work possible

RACING

BY DOMINIC WIGAN

throughout England because of

LONDON

Thames News. 1.30 Crown Court.

2.00 After Noon Plus, 2.25 Tues-

Matinee:

5.45 News.

6.35 Help!

6.00 .Thames At 6.

6.35 Crossroads. 7.00 Give Us A Clue.

except at the following times:

BORDER

CHANNEL

Headlines.

RADIO 4

.30 Charlie's Angels.

8.30 Room Service.

9.00 Strangers.

frost on the gallops a number

just happened to find one on relatively unimportant, irrele- of the inherent unwanted noise is unnaturally low relative to manual adjustment of recording the shelf tucked away in a far vant and possibly even mislead- produced on recordings due to other frequencies. Most specification of the inherent unwanted noise is unnaturally low relative to manual adjustment of recording the shelf tucked away in a far vant and possibly even mislead- produced on recordings due to other frequencies. Most specification of the inherent unwanted noise is unnaturally low relative to manual adjustment of recording the shelf tucked away in a far vant and possibly even mislead- produced on recordings due to other frequencies. Most specification is a far vant and possibly even mislead- produced on recordings due to other frequencies. corner.

Questions I asked are applicable to most tape recorders, and specific able to most tape recorders. Since the specific able to most tape recorders, and specific able to most tape recorders. needed—such as for replay of absolute level of the hum is less the cassettes at a conference on significant than the ratio of this comes clear however that not larger equipment—the only im-only are the answers hard to portant criterion is its recording quality. It is more difficult and means that the maximum signal

noise to the level of the required recording. "Better than 40dB" expensive to build high quality. power that the equipment can high power replay into a small handle is—as a ratio in decibels

### FILM AND VIDEO

BY JOHN CHITTOCK

recorder as well as high quality to the inherent noise of the nonal: excellent for picking out specific sounds without other recording: the two functions equipment—at least of that distracting noises, but embarage, to some extent independent value; and 40dB is a generally distracting noises, but embar-rassing round the table if the chairman's end is always in-ceivable but unlikely that a recorder with poor quality replay has had the quality built in at the point where it matters most —on the recording side. The itself. In the unlikely event that subjective way to test this is to ask to hear a recording played

The manufacturers' specification ought to offer some clues Battery life may be important as well, but is frequently misleading (and in most of the some machines will only run shops I visited, couldn't be found for two hours on one set. When except when I persuaded except when I persuaded assistants to open a new machine in its packing).

Signal-to-noise ratio on the

accepted minimum norm.

Frequency response on the specification is of little importance where only speech is being corders, operating at 31 inches recorded. A range of no more per second, or more, are thererecorded. A range of no more than 200 to 5,000 cycles per second will yield quite satisfactory results, but music needs at evenness of response through-20,000 is of little use if its power the type of tape used); and

and cycles per second are a symptom of old age.

When buying a larger tape recorder, other considerations become important, especially where quality of reproduction is a high priority. Cassetted tape is not the ideal medium for hi fi recording and reproduction in the recording and reproductions. tion because the tape speed is slow (I; inches per second) yielding lower frequency res-ponse; and its narrow width (I inch) means that less area (I inch) means that less area of tape is available for the rebe lower relative to the inherent unwanted noise produced by the grain of the tape particles and the recorder itself. Hence a poor signal-to-noise ratio.

The larger 1 inch tape re-

fore first choice where uptimum quality is required. In this quest, other specifications which may least 50 to 8,000 for modern be important include separate ears. Few if any manufacturers output socket for connection to admit to figures worse than the 2 hi fi amplifier (the built-in latter these days, but if they are 'amplifier on a tape recorder is not expressed in relation to a rarely so good), a switch or bias decibel measurement (say plus control to cope with different or minus two decibels) of the types of type coating and ferric types for chronic and ferric tapesevenness of response through in an ideal world, the out the range, they are possibly characteristics of the recorder meaningless: a response up to circuitry should be matched to

level, preferably monitored on a meter rather than by flashy but crude illuminated devices (over-modulation of a recording causes distortion, under-modulation weakens the signal and leads to a poor signal-to-noise

ratio). Wow and flutter my tify the Wow and flutter mystify the lay user but should be virtually absent in quality recorders. Those are both conditions caused by very slight unevenness in the speed of the tape: waw is a slow, cyclical variation in the pitch of the music—like a distorted record; flutter aptly describes liself, afflicting high free many custained note-expected. frequency sustained notes-such as violins - with a fluttering variation in pitch. It is relatirely easy to test for these faults by playing a tape with both low and high frequency notes of a steady and sustained character.

My own search continues after this last paragraph is written. With more untrained shop assistance to confront, I shall finish the day with a severe attack of the wows and flutters. But one final word of advice. Even though I was paying for the lunch with the Consumers' Association, for the inexperienced audiophile it has to be said that their publication, Which? magazine, is a frequent source of sound advice on the subject of tape recorders (available from 1. Caxton Hill, Hertford SG13 TLZ).

## Border Incident heads for the seaside

festival meeting.

of their horses.

on Saturday afternoon, one of the Embassy race in Chelten-Ireland's most successful ham's Two-Mile Champion young trainers, Jim Dreaper, was reshaping his plans for Ballyross.

The Cantab gelding, thought by his handler to be a Piper Champagne Gold Cup proposition before Saturday, had just proved, in Leopardstown's Kil-ternan Chase, that the two-and-a-half miles of the Irish event is almost certainly his optimum

trip.
For that reason Ballyross will be re-routed for a similar event at Fairyhouse in two weeks' time, before being shipped across the Irish Sea for Haydock's rearranged Embassy Chase final Premier March 2

He gave runner-up Tarques-Night, 12.00 News and Weather for Scotland.

Wales-10.00-10.20 am 2.32-2.37 pm I Yagolion. 5.55-6.20 Wales Today. 6.55 Tom and Jerry. 7.00 Heddiw. 7.30 Pobol Y Cwm. 8.00-9.00 Welsh Sports (GB) v Rudy Robies Personality of 1978 Award, live II.35 Dechrau Siarad. 12.00 The Variety Club Awards. 12.45 am News and Weather for Wales.

Northern Ireland-3.53-3.55 pm Northern Ireland News, 5.55-6.20 Scene Around Six. 6.55-7.25 Make Mine Country. 12.00 News and Weather for Northern Ireland,

England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South To-day (Southampton); Spotkight South West (Plymouth), 6.55-7.23 East (Norwich) Daly On a Tues-day: Midlands (Birmingham) Look! Hear!; North (Leeds) The Object in Question; North East (Newcastle) Looks Natural; North West (Manchester) A Grand Sing—The Sing-Off; South (Southampton) Hey Look That's Me!; South West (Ply-

Peninsula; (Bristol) Sports Show. BBC 2

10.30 am Worktalk. 2.30 pm The Business World. 3.00 Crime Writers. 3.30 The Living City.

4.00 Conversazioni 4.50 Open University, 6.55 Two Off the Cuff.

7.30 Mid-Evening News. 7.40 The Master Game Trophy Chess Tournament. 8.10 Life on Earth.

9.05 Call My Bluff. 9.35 Man Alive. 10.25 Sacha Distel and Guests. 11.10 Late News. 11.25 Darts: Embassy World Professional Champion-

BBC 2 Scotland only-6.55-7.05 pm A Party Political Broadcast by the Scottish National Party.

(S) Stereophonic broadcast
5.00 am As Radio 2. 6.00 Dave Lee
Travis. 9.00 Simon Bates. 17.31 Paul
Burnett. 2.00 pm Tony Bleckburn. 4.31
Kld Jensen. 7.00 The Meody Blues
Story. 8.00 Andy Peebles. 9.50 Nawaheat. 10.00 John Peef (S). 12.00-5.00 As
Paulio 2. RADIO 2

RADIO 2
5.00 am News Summary. 5.02 David Allan (S). 7.32 Terry Wogan (S) Including 8.27 Recing Bulletin and 8.45 Pause for Thomas 10.03 Jimmy Young 15 pm Waggoners' Wolk. 12 ""
15 pm Waggoners' Wolk. 12 ""
16 Auray' Orien House(S). 2.30
David Hamilton (S). 4.30 Waggoners'
10 ""
14 A45 Soorts Desk. 4.47 John Dunn (S). 6.45 Soorts Desk. 4.77 John Dunn (S). 6.45 Soorts Desk. 7.02
On the Thirt Ray 15 To John Folk. 73
12 Ism Wallace (S). 9.55 Soorts Desk. 1602 Laughtur In the Air. 11.02
Brian Matthew presents Round Midnish Including 12.00. News. 2.02.5.00
am You and the Night and the Music with Rath Cubbin (S).
RADIO 3 RADIO 3

RADIO 3
6.56 am Weether. 7.00 News. 7.05
Overture (S). 8.00 News. 8.05 Moming Concert (S). 9.00 News. 9.05 Thia
Week's Composer: Beyce (S). 9.36
Piano Doo /S). 10.20 BBC Singers at
Dorby, part 1 (S). 11.00 in Short (raik).
11.15 BBC Singers, part 2 (S). 12.10
Certiff Middey Prom. part 1 (S). 1.00
News. 1.05 The Arts Worldwide. 1.20
Certiff Middey Prom. part 2 (S). 2.05
Music at St. George's. Bristol (S). 3.05
Plano Recital (S). 4.30 Brahms on record (S).
F.15 Jazz Todey (S). 5.45 Homeward
Bound (S) (4 from 8.05). 45.30 News.
\$6.35 At Home: Schnabel plays Beethoven. 7.30 John Jenvins (S), 8.00 An
Elgar Concert (S) part 1. 8.40 The
Representative Man — Schlesinger's

WHILE INTENDED Sandown tral 18 lbs and a 15-length day with his Gold Cup prosrunners were either remaining beating on Saturday. If all goes pect. He has not sent animals in their boxes or being sent well at Fairybouse and Haydock to work there in the past but back on the long haul North he will reappear 12 days after feels confident that the trip from Lambourn will prove worthwhile. Provided that he can get Chase on the first day of the

Border Incident reasonably race fit, the Fairlawne Chase at Windsor on February 21 will be that gelding's target before his tilt at the Gold Cup.

Border Incident undoubtedly has the talent to win at Cheltenham. Head is hoping that Uncle Bing will be able to take his chance in the Grand National. Uncle Bing, injured in the King George VI Chase. of trainers are looking to in the King George VI Che swimming and the seaside sands is slowly returning to form as foundation for preparation. Applications for admiss

. Applications for admission to the Royal Ascot enclosure Richard Head, whose outshould be made to Her standing though injury prone Majesty's Representative, Ascot Border Incident has not run for Office, St. James's Palace London SWI before the end of over 16 months, plans a trip Londo to Weston-Super-Mare on Satur-April.

GRANADA 1.20 pm This is Your Right. 2.25
Retiles. 3.20 Out of Town. 3.50 You're
Only Young Twice. 5.10 What's New.
5.15 Crossroade. 6.00 Granada Reports.
6.30 Emmerdale Farm. 7.00 University
Challenge. 11.15 Our People. 11.45
Oscar Peterson Presents. 9.30 am Schools Programmes. 12.00 Issi Nobo. 12.10 pm Stepping Stones. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20

HTV 1.20 pm Report West Headlines. 2.00
The Regions Report. 12.30 The Tussday
Metines: "Hell Drivers." 5.15 Melotoons. 5.20 Crosroads, 8.00 Report
West. 8.15 Report Walss. 6.30 Country
Comes West. 7.00 Mr. and Mrs. 7.30
Charlie's Angels. 11.15 Our People.
HTV Cymru/Wales—As HTV General
Service except: 1.20-1.26 pm Perawdau
Newyddion y Dydd. 10.30 Bywyd. 11.15
World in Action. 11.48-12.15 am Mind
Your Language.
HTV West—As HTV General Service
except: 1.20-1.30 pm Report West Headlines. 8.15-6.30 Report West. starring Sophia Loren, 4.20 Michael Bentine's Potty Time, 4.45 Magpie, 5.18 Emmerdele

SCOTTISH 10.00 News.

10.30 Once In A Lifetime.

11.15 Lou Grant.

12.10 am Close: Kanthi Gardner reads from "The Prophet" by Khalil Gibran.

All IBA Regions as London xcopt at the following times:

ANGLIA

1-25 pm Anglis News. 2.00 Houseparty. 2.25 Rafiles. 3.20 Out of Town.
3.50 The Entertainers. 5.15 Emmerdale
Farm. 6.00 About Anglie. 7.00 Bygones.
11.15 Our People. 11.65 Police Surgeon.
12.18 am Christiens in Action.

ATV

1.20 pm ATV Newsdesk. 2.25 The
Tuesday Movie: "Kiss the Girls and
Make them Die." 5.15 Mr. and Mrs.
6.00 ATV Today. 7.00 Emmerdale Farm.
11.16 Butlin's Grand Masters Champlonship. 11.50 Something Different.

BORDER

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 Raffles. 3.20 The Southern News.
6.00 Day by Day including Southsport.
6.00 Day by Day includin SOUTHERN

TYNE TEES:

8.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lockeround. 2.25 Raffles. 3.20 Frontier. 3.50 Bailey's Bird. 5.15 You Can Make It. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.30 Our People. 12.00 Epiloguo. ULSTER

†1.20 pm Border News. 2.00 House-party. 2.25 Raffles. 3.20 Bygones. 3.50 Unuamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 8.25 Party Politi-cal Brondcast by SNP. 7.00 Emmardale 1.20 pm Lunchime. 2.00 Regions Report. 2.30 Tuesday Matines: "Hell Drivers." 4.18 Ulster News Headlines. 5.15 Centoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdals Ferm. 71.15 Bedume. 1.18 pm Channel Lunchtime News and What's on Where. 2.25 Raffles. 3.20 The Practice. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 10.20 Channel Late News. 11.15 Our Paople. 11.45 Pelice Surpeon. 12.18 am Commentaries at Praylaions Meteorologiques. WESTWARD .

VV ESTWARD

12.27 pm Gus Honeybua's Birthdays.
1.20 Westward News Headlines. 2.25
Faffles. 3.20 The Practice. 3.50 Your's
Only Young Twice. 5.15 Mr. and Mrs.
8.00 Westward Diery. 7.00 Treasure
Hunt. 10.28 Westward Late News. 11.35
Our People. 11.45 Police Surgeon. 12.10
am Faut for Life. 12.15 West Country
Weather and Shipping Forecast. YORKSHIRE

mentaries et Provisions Meteorologiques.

GRAMPIAN

\$25 am First Thing. 1.20 pm Grame plan Naws Headlines. 2.25 Tuesday Matines: "Yangste Incident" starring Richard Todd. 5.15 Mr. and Mrs. 6.00 Grampian Today. 8.05 Country Focus. 7.30 A Tale of Two Citles. 11.15 Our People. 11.65 Reflections. 11.50 Sounds of . . . 12.05 am Grampian Lete Night Headlines. 1.20 pm Calendar News. 2.26 Rafiles:
20 Calendar Tuesday. 3.50 The Entertainers. 5.15 Doctor on the Go. 6.00
Calendar (Emley Moor and Balmont
editions). 7.60 Emmerdale. Farm. 11.15
Our People.

Radio Wavelengths 1003kHz/285m 1009kHz/275m

2 693kHz/433m 909kHz/330m & 88-Myhr steres

Capital Radio; 1546kHz, 194m & 95.3vh?

BBC Radio London: 1658/fs, 2000 & 54,546f

BBC Radio London RADIO 4

6.00 a.m. News Briefing. 6.10 Ferming Today, 6.25 Shipping forecast. 6.30 Today, Magazine. including 6.45 Frayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day. 9.35 Yosterday in Parliement. 9.0 News. 9.5 Tuesday Call. 10.00 News. 10.50 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-Minuta Theatre. 17.30 Strangs Planes and Faces, 11.45 Listen with Morher. 12.00 News. 12.02 p.m. You and Yours. 12.20 Desert Island Discs. 12.55 Weather, programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Ouestions to the Prime Minister. 3.55 Fame is the Spur (S). 4.30 Announcements. 4.35 Story Time. 5.00 PM: News. 8.30 Just a Minister (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 2.00 The Countryside in Winter. 8.48 Science Now. 9.30 Kaleidoscope. 9.59 Weather. 5.00 a.m. As Radio 2. 6.30 Rush Hour. 5.00 London Live. 12.03 pm Call in. 2.03 7.08 Showcase. 4.03 Home Run. 6.16 Look, Stop. Listen. 7.30 Slack Lon-doners. 8.30 All. That Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.06 am Quaguon Time. From 1.05 As Radio 2. 10.00 As Radio 2. 12.00 As Radio 2. 12.00 As Radio London Broadcasting
5.00 am Morning Music. 6.00 AM:
News, Information. Travel, Sport. 10.00
Brian Hayes Show. 1.00 pm LBC
Reports. 3.00 George Gale. 4.00 LBC
Reports (continues). 8.00 After Eight.
9.00 Nightins, 1.00 am Night Extra. Capital Radio

Bobby Kennedy (talk by Esmand Wright). 9.00 An Elgar Concert, part 2 (S). 10.10 Schizophrenic Journey by Frank Sugg. 11.00 New Vigona String Trio (S). 11.55-12.0 News. VHF only—6.05-7.30 p.m. Open University.

BBC Radio London

6.00 am -Graham Dane's Breakfast Show (5). 9.00 Mike Smith (5). 12.00 Dave Cash (5). 2.00 pm Peter Young (5). 7.00 London Today (5). 7.30 Advan Love's Open Line (5). 9.00 Your Mother Wouldn't Like It with Nicky Home (5). 11.00 Tony Myart's Late Show (5). 2.00 am Duncan Johnson's Night Flight (5).

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The Rite of Spring. Sat. 7-30 The Firebirds,
Scenes de ballet, The Rite of Spring.
This Toyal Griden
Thur. 7-30 Sugane Onegin.
EE Amph. Seats stal. for all ports from
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Nurreye's proden of Tcheitopesky's 17th
floeping Beauty. Mar. 28 to 11 Les
Sylphides. Potypichiss. Prince 1gor. SAOLER WELLS THEATRE ROSEDETY AND. SCI. 037 1572 THE FEB. 24 GILBERT AND SULLIVAN EVES. 7.30, Met. Wed. and 514. 2.30, Tonight & Tomorrow IOLANTHE, Thur. THE FEB. 14 THE YEOMEN OF THE GUARD.

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## THE ARTS

Sherman Theatre, Cardiff

## Offenbach double bill

by MAX LOPPERT

The Welsh National Opera has dug into the vast and for the most part little-known treasure chest of Offenbach one-act comic operas, and come up with La Chanson de Fortunio and M. Chousteury restera chez lui. These, in productions and new translations by Michael Geliot, form the Sparkling double bill that was toured through Wales recently before arriving in Cardiff for two performances last

Both works date from 1861. Offenbach's reign at the Bouffes-Parisiens, for which they were written (the Welsh National was then at its peak, and his fount of musical invention was fount of musical invention was gushing out without stint. The Song of Fortunio is a charming decoction, by Halevy and Cremieux, the composer's regular librettists, of a Musset play, Le Chandelier, for whose Comedie-Française production some years earlier Offenbach had supplied the song of the title. The plot, light but fertile. title. The plot, light but fertile, confronts crabbed, suspicious middle age with the joys of fresh young love in a way that provides opportunities both for comedy and for a supply of memorable melody with a tinge of melancholy.

In Monsieur Colli-Flahr's At Home, as the second becomes, the cutting edge of the social-satirising Offenbach is more sharply felt. The subject was suggested by the Duc de Morny. the Emperor's half-brother —
officially, the libretto was by St.
Remy (Morny's pseudonym),
Halevy, and others. A successful businessman intent on pushing his way up the social ladder of 1833 has invited to his very lity and, as performers, Sontag, the composer's most brilliant of there is anyone still in need Rubini, and Tamburini. The and exuberant vein—the music of persuasion that Offenbach stratagems that have to be is at once good pseudo-Bellini was one of the geniuses of 19th-applied when the singers are and a delicious mockery of it, century opera, a trip to Leicester



unable to appear allows much as those in Friday's audience parody of Italian opera (Mr. without much experience of the Geliot's version gives us numbers from Norma di Neuth) in appreciated.

If there is anyone still in need

for the company's forthcoming appearances there (20 and 21 February) should prove a voyage of instruction as well as quick strike, the unobtrusive but unfailing sense of instrumental colour, the shapeliness of dramatic and musical form, the mastery of mood-receive their most concise expression. It is high time the record companies put a few more into circulation.

To the robustly anarchic side of Offenbach Michael Geliot's particular skills would appear to be singularly well matched. There is about his Monsieur the two other shows of Colli-Flahr, with its broadly undertaken social satire, cracks at local targets, and flagrant outbursts of farce, a tone of some the sprung a small but very at local targets, and flagrant out-bursts of farce, a tone of some-times scabrous earthiness that, while it may not tell us the whole story of Offenbach, strikes to the root of the unsettling and disturbing quality in his headiest inventions. The casting, without weakness, offers several members of the WNO Chorale attractive chances for character roles; the spoken dialogue has been polished with commendable (and unusual) precision. Julian Moyle, Meryl Drower, and Mark Hamilton in the leading baritone, soprano, and tenor parts of both pieces give bright performances—Miss Drower's previous waif appearances had not prepared me for the neatness of her comic play-ing. (Mr. Hamilton's role of Valentin in Fortunio belonged originally to a soprano en travesti; but as the Bouffes-Parisiens practice in these matters was evidently flexible, one can hardly complain of its reassignment.) Zestful orches-tral playing from a small ensemble under Julian Smith completed the pleasures of a

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**Art Gallery Review** 

## Silver, Dante and wood

by WILLIAM PACKER

world, put out perhaps by all this so shockingly seasonal voyage of instruction as well as of entertainment. Indeed, in the best of the one-acters, his special features—the comic appear to be over, and this past appear to be over. weather, has taken rather longer week or so has seen a spate, or is it a thaw, of new exhibitions, more than enough, certainly, to occupy several portmanteau reviews. Not all of them are in London: an excellent comprehensive retrospective of David Hockney's career as a printmaker, for example, has opened

> has sprung a small but very special treat. is the admirably exact title of the current show (until March 10), for the Duke of Devonshire, Chancellor of the University, continuing his long association with its gallery, has made available from his collections a number of exceedingly choice items that are rarely, if at all, on general display; and treasures so many of these things most certainly are.

One or two modern works start us off, notably small single portraits of the Duke himself and his Duchess by Lucian seif and his Duchess by Lucian Freud, and there is, quite literally, a handful of fine miniatures, that by Richard Cosway, with its accompanying snuffbox, of that great eighteenth century beauty, Lady Georgiana Spencer, especially seductive. There are, too, some splendidings and some equally splendid rings, and some equally splendid guns, English flintlocks, and a brace of French duelling pistols, all complete in its fitted mahogany case. But, these fine

Beethoven cycle

by DOMINIC GILL

or more perilously exposed,

The New Year in the art things notwithstanding, the emphasis of the show is placed firmly, unavoidably, upon the magnificent array of plate, the silver and the gilt, candelabra. cups, ewers, services, pilgrim bottles: extra-ordinary and extravagant objects.

The show does well to be so small and so well-chosen, for it is rich stuff and almost too much for the timid modern palate, shockingly decorative, exu-berantly inventive, informed by true sculptural wit and control that we must clear our eyes to see. The effort is worth making.

Back to London and to some-thing very different: Tom Phillips is showing his recent work (at Marlborough until February 27), his first major show in London for some time, and very curious it is. His main preoccupation in this time would seem to have been with Dante, out of which have come a large number of drawings of the poet's head, a painting of him in his study, with prepara-tory drawings, after the painting by Signorelli, and a very odd painting indeed that Phillips himself describes as a "galli-maufrey or hodge-podge" of imagery and recondite refer-

He provides for our benefit a lengthy explanation of this particular work, for its nature is essentially literary, and its subtleties demand decoding. Phillips take infinite pains over his work, and would rather they did not pass unnoticed. The pity is that his concern with his exemplary intelligence should lead so many of his admirers, of which indeed there are a



Drawing of the Head of Dante, by Tom Phillips

things out-he never could. .

The best works in this show

not known for his lightness

but to find out just how good

neeas

ness and

great many, to equate these simple qualities with great visual gifts. They are reassured Phillips' "Signorellis" are inescapable. by the hard work, and the Finally, at Anthony Stokes cleverness of it all; he cannot resist the temptation to spell

in Langley Court (until March 3), Nicholas Pope, one of the very best of our younger sculptors, is showing a batch of his are the simplest, the most direct, the least self-conscious. Phillips most recent work, half a dozen or so disarmingly simple piles or towers of natural wooden of touch or technical finesse; yet the signs are here that, should he step aside from the dominant and determining problocks. Pope's is an ironical approach, the simplicity of his statement and the apparently raw condition of his materials belying his innate sense of craft, his command of order and structure, and the essential grammes by which, so far, he has restricted and justified his work, a somewhat more natural artist might emerge. The refinement of his sensibility, his portrait he shows, for example, of Mrs. Carglil, is still fussy and inhibited in its execution, dandyism. Here he heaps up his timber, block on block, almost as a child plays with bricks, but leaving little to chance, for should they all crush down, as we fear they yet far less mannered than his previous essays in the genre. And the bank of drawings of the head of Dante contains some might, that would be no accifresh and lively images, enough The wonkiness is nicely to make us wish that Phillips would sit in front of the model and draw for its own sake, not judged, the asymmetry exact, the placement certain; and from it all comes a play with form and to show us how clever he is, mass, as the concealed planes dance against those facets that he might be. Best of all is the are, revealed, and a monumencalendar of the year, a large pastel for each month, that tal presence, that are most imnone and is given intie, gloss. By contrast the crudevery own, and very gifted white-

Paris opera—1

## Téronique by MAX LOPPERT

once more. Not, it is true, as in most exhilarating French the great traditions of the Opéra-Comique are clearly being invoked. Werther and Le Médecin malgré lui (noticed in these columns) recently given, Philidor's Tom Jones and Hahn's Le Marchand de Ventse still to come; anyone sensible of the significance in the history of opera of this great house must rejoice that at last, after all the "internationalisation" in the revival of Paris operatic life of the 70s, the city's own most important contribution is

and prior to last month's run it to an entirely new musical had been played only once, in level," after such a perform1925, at the Salie Favart); but ance one can see what he its composer was one of the means. most illustrious musicians to undertaken its musical directorship (1898-1903) and later its chief conductorship (1919-20). Messager's conducting career was distinguished in so many ways and his grounding at the Ecole Niedermeyer as pupil of both Saint-Saëns and Faure had been so thorough, that the predominantly light character of his own large corpus of stage works comes as something of a

Véronique, for many years his most popular work on both sides of the Channel, is a bland tale plicity—except that with the of aristocrats temporarily disguised as flower-shop assistants, troupe of dancers, the knowing set in the Paris of Louis-Philippe. Though there can be effect would have irritated more patronising undercurrents, on stylishly contrived, though in the surface the plot unfolds the third act a pas de quatre neatly, with pretty good humour simultaneous with the confrontaand sentiment, and with un-tion scene of Hélène-Veronique interrupted mildness. It is and Florestan was a bit hard to tempting to describe the music take. likewise, for it has little of the

posed by Mendelssohn, if one can imagine his reincarnation

half a century later as a composer of Parisian opéra-comique. Yet, in common with the Mendelssohn of, say, the Songs without Words, there is more to Messager than at first may meet the score reading eye. In both, a quantity of lyrical sweetness, underpinned and restrained by nice taste in harmonic progression, is there to be divined by the skilled performer. Such a the season was Andre Messager's Veronique. The work is not closely associated with the house (its premiere in 1898 was at the Bouffes-Parisiens and prior to lass performer was the conductor of this revival, Pierre Dervaux,

> The production by Jean-Laurent Cochet was graced with the exquisitely pretty designs, a bell fpoque view of the 1840s as recreated for 1979 tastes, of François de la Mothe (sets) and Rosine Delamere (costumes)—this is a team who can lay on a full palette of colours without the indigestibly overcrowded results all too common in British operetta stagings. Mr. Corhet handled the situations and the cast with an apt combination of knowing art-fulness and affectionate simnear-constant participation of 2 some distastefully seriously had it not been so

The Opera-Comique is active infectious catchiness of the by the bright young talents and once more. Not, it is true, as in former days, when there was repertory opera most nights of the week; but with at least a substantial season of opera and ballet to bring life to the Sale Favart. Except on posters, the Salie Favart remains its current official designation, yet in the choice of programme for 1978-79 the great traditions of the season of the season of the care of the potent draps of the p

ful, was handled with the liveliness that seems to come naturally to French singers.

good looks of Danièle Chlostawa sary on the Opéra-Comique stage not far off, was an ebullition of high spirits as Coquenard, florist, elect of the Garde nationale, and bourgeois (how much more sharply Offenbach would have characterised him!). The spoken dialogue, trimmed down but still plenti-

## Bryars & White

by NICHOLAS KENYON

Satie without the wit: Ravel without the grace: Cage without the sllence: Rakhmaninov without the tunes : the recent music of Gavin Bryars and John White is all this, and less. From the extravagant disclocations of the classics in Bryars' work with the Portsmouth Sinfonia, and from the "machines" of Whites system pieces (like the Drinking and Hooting Machine) the two composers seem to have converged on a, dream-like, jumbled, toy-town idiom in which half-remembered echoes of the past flit by the listener's ear, barely disturbing the naively lop-sided constructs of the composers.

The composers perform, on tuba and piano or two pianos, salon music, Percy Grainger, Lord Berners and a sprinkling of jazz. In John White's series of Piano Duets the composer take.

A very attractive cast was led

aimed not to use "pastiche or meaningless—but oddly touch—of the weekend—the slow move—ment a true large of marvellous

phrase is one he used of a piece mentality." These are doodles built on memories, fey but con-stantly ear-tickling. Basingstoke is the word used in Ruddigore slipping back into her madness: piano piece a bastion of whimdemands of "serious" art.

several years ago; "the possi-bility of happily indulged sentito prevent Mad Margaret from perhaps that was the only point of this four-movement tuba-andsicality against the impossible

Bryars' pieces were more clever, especially Out of Zaleski's Gazebo, piano music stuck in hypnotic repeated grooves until a cadence of Graingeresque inanity clicks us suddenly back into time and into the next groove; and the new My First Homage, a beautiassisted by Dave Smith. Their ful cloud of atmospheric even at their most misguided current preoccupations are nothingness, like a pretty made clear: late 19th-century mobile puffed gently by the argued or modified, never wind, coming to rest, starting again, coming to rest, occasionally glimpsing someone else's The great D major sonata op 10 music. Aimless, spineless, even No. 3 was one of the high points

The planist is Roger Wooding with uncharacteristic ward, whose often commanding, reticence, and understandable sometimes erratic, ways with nervousness. Both the F minor and the A major sonatas of Op. Beethoven are by now well 2 emerged as little more than known to London audiences. opening flourishes, experiments There are many ways of divi-ding and ordering the sonatas, with the acoustic, testings of the air. By Op. 10 No. 3 he had relaxed, and got the measure of this cycle, Woodward has chosen to give them chrono-logically, keeping all of the early opus sets together in each the music and the hall (and the piano lid had sensibly been raised from half to full-stick). There were fine things in the C major sonata: a tough, brilliant resonance; much quick and subtle voice-leading; and in the adagio some weird and tricky half-pedalling, odd but none the

less striking effect.
Once settled, Woodward warmed to his undertaking with vigour and spirit. He is clearly determined that the ride shall not be smooth. From op. 7 to the last of op. 14 on Sunday evening, he kept his audience on its toes-no chance at Kenwood this month to turn for a moment from the music to the pictures on the wall-with a fascinating, maddening see-saw of brilliant inspiration and doubtful, risky interpretation. But no regrets: musicians who take their life into their hands are ever more to be reckoned with than musicians who serve up at every appearance the same, safe routine. We may know Beethoven's sonatas well (and often less well than we think): but they are still today an adventure. The quirks of Woodward's performances, some penetrating, some outrageous, were not flippancies idly pro-posed—but serious possibilities,

lightly dismissed.

There were notable successes.

In addition to their regular of the first four programmes. It dramatic presence, the minuet was a brave decision : to launch swayed with a lovely vocal lilt, the finale a splendid tour de force, light and fluent, glimmerstraight from cold into the first ten sonatas on two consecutive evenings is no small task—there ing with fire. At a slightly is no music in the whole of the slower tempo, the opening plano literature more fiercely presto would have made a still stronger effect — here, and throughout the two recitals, plano sonatas of Beethoven, on demanding of the closest focus, He began on Saturday even-ig with uncharacteristic there was an unbalancing tendency to take a presto or a con brio or an alla breve wherever they occurred, too fast: to forget the fundamental principle that the listener's perception of a tempo is governed more by cunning manipulation of rhythm and rhythmic emphasis, and by touch and timbre, than by actual metronomic speed.

The first movement of the

Pathétique Op. 13 was also blurred by a speedway tempo: the allegro alla breve marking is admittedly di molto e con brio, but Woodward's whirlwind impetus took too much im-portant detail with it over the edge. And to play the accompaniment to the slow movement melody staccatissimo may be just on the right side of good taste; but to play the melody at the same time allegretto instead of adagio sounds to my ears not only wrong, but actually over the borderline with kitsch. The Pathetique was provocative. But Woodward's E major and G major sonatas Op...14 were both of them, by contrast, models of good manners and close lyrical focus, sweetly sung, beautifully shaped—the andante and finale of the G major in particular done with marvellous wit and style. It will not be a smooth cycle: but it will never be dull, and the rewards, I suspect, could also be great.

The Haydn Society A new Haydn Society has been formed in association with the music department of Lancaster University. Its principal aims will be to promote a wider knowledge and understanding of the music of Joseph Haydn and his contemporaries.

Its opening event will be an inaugural concert at St. John's Smith Square, London, on ment a true large of marvellous Haydn-The Early Years.

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## **FINANCIAL TIMES**

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Tuesday February 6 1979.

## A success for Mr. Deng

THE U.S. VISIT by Mr. Deng Chinas should not be forcibly Xiaoping, the Chinese Vice-Premier, which ended yesterday, political reasons. The Adminishas gone just about as well as both the American and Chinese authorities could have hoped. For Mr. Deng himself, it has been a considerable personal success. He has gained considerable exposure for his Govern-ment's policies and is generally thought to have behaved impeccably during his official appearances. Insofar as the trip was intended to be an exercise in public relations, it has achieved its objectives.

#### Broadside

At the same time Mr. Deng has managed to inform the U.S. public directly of his Government's well-known views about the Soviet military threat without overly embarrassing his American hosts. His first broadside, an interview with Time magazine in which he described the Soviet Union as the "true hotbed of war," was tactfully fired from Peking before he ever set foot on American soil. During the visit bls tone varied from day to day, but he said little that he had not said before and in some cases appeared more moderate than the past, declining, for example, to raise with President Carter the idea of an alliance between the West, China and Japan against Moscow.

#### Progress

For President' Carter, 'the visit has served the useful purpose of confirming that it is only extreme conservatives who have strong feelings against his decision to normalise relations with Peking. The feared largedemonstrations opponents of the policy against Mr. Deng failed to materialise. If has not been a triumph for the President comparable to the Camp David Middle East peace negotiations. But at least nothing went seriously wrong.

On specific issues, progress appears to have been made both on Talwan and on prospects for the U.S. offering China Most Favoured Nation status-a move that would act as a major spur mitment not to invade Taiwan

tration, too, which has been against such a resolution now seems more inclined to accept it, provided it is couched in moderate language.

#### Reassurances

Mr. Deng appears to have given sufficient reassurances about China's emigration policies - Congressional precondition for Most Favoured Nation treatment—to improve the chances of a decision to confer MFN in the not-too-distant future. He will probably soon formalise these assurances. There could well be a problem, however, if the Administration were to propose similar treatment for the Soviet Union at the same time.

In one area the visit may

have had a negative impact from the Administration's point of view-the struggle to secure Senate ratification of a new strategic arms limitation with the Soviet Union (SALT 2). Mr. Deng did not actively oppose a new SALT agreement, but his warnings that the Russians are not to be trusted could put yet one more weapon in the hands of those who are

cated enough to have been paying, as much atention to what American officials have been saying during the visit as they have to Mr. Deng's attacks on "hegemonism." They know that President Carter does not share all Mr. Deng's views and they still want a SALT 2 agreement. Now that the visit is out of the way, they may finally be ready, after a decent interval, to sign the new Treaty at a Carter-Brezhnev summit.

#### Even-handed

That does not mean that that would act as a major spur most Russians extremely ner-to increased trade. Mr Deng was vous; even if it is only talk. unable to give a formal com-SALT 2 will not place major -on the grounds that it would up. Both Mr. Deng and Mr. weaken his bargaining position Henry Kissinger were right; last with the Tiapei regime. But he week to warn that SALT 2, by made it clear that China does Itself, will not solve the world's violent than if there had been not intend to use force, a point problems. U.S. officials have that seems to have been pretty concluded from Mr. Deng's visit well taken in Washington. For that it is possible to pursue an his part, Mr. Deng now appears even-handed policy of simulto appreciate that some sort of taneous detente with Moscow Congressional resolution expres- and normalisation with Peking. sing concern that the two Possible, perhaps, but not easy.

## against ratification. The Russians are sophisti-

Moscow is unworried about the longer-term consequences of the Sino-American rapproachement. Talk of four-power encircle-ment of the Soviet Union (by the U.S., Western Europe, China and Japan) is enough to make constraints on their arms build-

# What has triggered the metal prices boom

By JOHN EDWARDS, Commodities Editor

Zinc

after years of captivity.

It's out of control." That was the comment by a prominent dealer on the London Metal Exchange amid scenes of frantic trading activity as market prices for all metals soared higher and higher. Since the start of the year copper prices have shot up from £770 a tonne for cash wirebars to £993 last night—an astonishing rise even for the volatile copper market. Last week alone prices rose by over £80 and yesterday they leapt again by £48, and the three-month quotation topped £1,000 for the first time since mid-1974. In the U.S., producers have lifted their domestir copper prices from 70 to 84 cents a lb during the last six weeks and a move to 90 cents for the first time ever is being widely forecast.

The surge in copper has been largely responsible for pushing up other metal prices substantially. Lead is at a record level. after a spectacular price rise. Aluminium, tin and zinc values have all risen strongly too. Among precious metals, silver and platinum have also achieved

record prices. It all adds up to a metals boom, which if sustained has ominous repercussions for industry and the Government in its fight against inflation. However, although metals are present, no one is certain how long the upsurge will continue mainly because there is no easy explanation as to why the copper, and other metal. markets have suddenly caught

There have been no dramatic is that the mood of the market has changed after years of depression and it is that potent force—septiment—that is fuelling the explosion in prices.

Heavy speculative buying, on undoubtedly accelerating price rises. But it can be argued that the change in sentiment is only belated recognition of fundamental developments that have already taken place but were not reflected in the modest price rises during 1978. Gloomy predictions about an industrial recession developing in the U.S., and other countries, this year held back prices during the last part of 1978 when there were many influences that should have pushed the markets

up. So the continued strength of demand for metals. aggravated by heavy buying from Communist bloc countries violent than if there had been a steady rise over a longer period:

The rising rate of inflation, and the devaluation of the dollar last year, affected all metals. But traditionally the performance of the copper market has the most important impact on the other metals. This is partly because copper production is linked with the out-

Double-barrelled

. Of the latest batch of suc-

inclined Cumbria:

into Europe

THE COPPER market is put of other metals and is also competitive in various uses. But the main reason for copper's influential role is that it is used so widely throughout industry internationally and the freely-traded Metal Exchange prices provide a good indicator of the state of the world's

> Copper is vitally important to the economies of many develop-ing countries dependent on it to provide the bulk of their export earnings. They have suffered badly since the last boom in 1974 as a result of huge surplus stocks driving prices down to well below the cost of production in many cases. But four years of depressed prices are finally starting to take their

> Many Many copper producers have cut back production voluntarily. either necessity. Transport and production problems, as well as political developments, have drastically reduced output from the African copperbelt. Zaire political claims that output at its Kolwezi mines, after the invasion of the Shaba province last summer, has returned to normal, but the market disagrees; pointing to constant delays in deliveries. Zambia has admitted that production will be substantially down this year, even on 1978's much reduced output.

Zambia is having immense difficulty in shipping out copper undoubtedly booming . at production from the minehead to the outside world, despite the reductant decision to start using transport routes through Rhodesia. A more intractable problem for both Zambia and Zaire is a shortage of skilled expatriate labour which is still needed to maintain production new developments this year. levels. After Kolwezi expat-All traders can say, with safety, riate workers are even more reluctant, whatever incentives might be offered.

### Unrest in Africa

Political unrest threatens the rest of southern Africa, and there seems little chance at present of any significant expansion in production from the African copperbeit.

The other main source of copper — South imported America-is also threatened by political unrest and strikes. Aithough Chile has managed to lift output. the higher grade are are now becoming exhausted and considerable investment will be needed to expand production further. The expansion in Peruvian

copper production has been hit by a series of strikes and financial difficulties as a result In North America, U.S. pro-

duction was cut back because of low prices and cheap imports. The recent surge in prices may have restored profitability to most mines there, but it will take some time for output to be increased. Canadian produc-tion has been hit by the low prices, and two major strikes-International Sudbury complex, which produce all the group's copper as well as the bulk of its nickel The trend in warehouse stocks

and Noranda's Gaspe mine. All these cutbacks have resulted in a shortage of copper concentrates, the raw material required by smelters, and an acute scarcity of good quality "brands" for wire bars and cathodes

8,000 r-£ per torme

4.000

2.000

1.000

500

100

The surplus stocks are mainly the lower quality grades, which cannot be used by some consumers, and substantial premiums above the market price are being paid for good quality

Indeed producers, when nego tiating their supply contracts with consumers for 1979, were able for the first time to build in a premium price structure for the guarantee of regular supplies. This new-found strength resulted from the fact that most producers drastically cut back their supply commitments for 1979 and fabricators are still anxious to ensure that they receive adequate copper to meet their estimated requirements this year.

So far consumers have managed to keep their stocks at a very low level knowing there were more than adequate supplies available whenever required. The high interest rates recently have been an added incentive to continue this policy. Now the situation has changed. The fall in stocks, strong buying by Communist bloc and Far Eastern countries, and fears about further supply setbacks, particularly in Africa, have raised the spectre of possibl shortages developing.

One of the few hard facts this year has been the steep fall in the copper stocks held in the London Metal Exchange warehouses dotted throughout Europe. With yesterday's fall, these stocks have declined by 55,000 tonnes this year. Total holdings now stand at 319,075 tonnes compared with the peak of 645,000 only 12 months ago.

is usually a good indicator of the changes in the market. The Metal Exchange is essentially a residual market with the bulk of copper sales being transacted direct between producers and consumers, so movements in the Exchange stocks represent the variations in the overall supply

In times of over-supply, surplus stocks flow into the warehouses in the hope of being financed by speculators taking a long-term view or by financial institutions. In times of shortconsumers look to the Metal Exchange for extra supplies over and above their regular deliveries direct from prices are raised high enough, any metal not immediately required will be attracted to the Exchange. During the past 10 years, stocks of copper have fallen as low as 10,000 tonnes (during the 1974 boom) to last year's peak of over 645,000.

Present warehouse stocks are. therefore, high in historical terms. But no one is quite certain how big a proportion of the stocks is held by long-term investors, not prepared to release them until prices go much higher, or already committed for delivery against previous purchases.

Certainly a significant feature of the market at the moment is that the gap between the cash price and three months quotation is much smaller than it should be to "carry" supplies interest rates. This has led to suggestions that a shortage of supplies available to the market could develop, in spite of the apparently large stocks.

Latest estimates, by the Commodities Research Unit, are that production of refined copper in the non-Communist world at just over 6.5m tonnes fell short of consumption by made to buy more and more around 500,000 tonnes in 1978. until the bubble bursts and

predictions that production would rise in 1979 have been mine in Iran, for obvious reasons, and La Caridad in Mexico because of normal teething problems.

prices or to avoid shortages? The trick is to get it right, although the higher prices can usually be passed on to the eventual consumer.

CASH METAL

COPPET CASH WIRE BARS

Economic forecasters main-tain that the growth in consumption of copper will slow down this year, especially in the U.S. where there has been three years of strong growth in demand. But it is admitted this downturn is now not likely to be felt until the second half of the year. In the meantime the unknown factor on the conproducers. The theory is that if sumption side is just how much will be bought by the Communist bloc countries, especially with China embarking on its industrialisation pronew gramme. Communist buying has already profoundly affected the lead market by removing surplus supplies and creating an acute shortage. It is likely to be an even more important influence in the years ahead

in all metal markets. Another unpredictable ele-ment in the market is the influence of speculators. In recent years speculation, both by the trade and private individuals or funds, has become very much more sophisticated and power-

#### The self-feeding upward move Fears of inflation, and the

erosion of surplus stocks, have attracted speculators back into the metal markets in a big way and large sums are reported to be coming in as the boom gathers pace. The upward move is often self-feeding with speculators using profits already

This still leaves a sizeable prices collapse. Trade buyers surplus in theory. But earlier are not immune either. Is it a speculation to buy extra quantities ahead, in case of higher

4,000

2,000

1,000

500

200

The scenario being painted by market experts at present is that metal prices will continue to rise, with some sharp setbacks from profit-taking, during the first half of the year, thus repeating the pattern of the last three years.

What happens in the second half of the year appears to depend on whether predictions of an industrial recession in the U.S. prove to be correct or not. Three years of setback; after the buoyant first six months has made traders fearful of being too confident the upsurge can be maintained. especially such a big rise. It is remembered that only six months or so ago the market was in the doldrums. Sentiment can change very quickly, either

Nevertheless it does seen that the easy times for the consuming countries are probably over after four years of depressed prices. Even at current levels copper, for example, is reckoned to be well under-valued. Although more producers will be returning to profit-ability, it is calculated that prices of close to \$1.25 a pound (nearly £1,400 a tonne) will be needed over a reasonably long expansion projects.

Whatever happens, there will be a time-lag since investment has slowed to a virtual halt in the past few years and it takes at least seven years for a mine come on stream. So even the present boom proves to be short-lived, it could well just be the pale forerunner of the kind of prices likely to be seen

## Prices turn for the worse

THE LATEST wholesale price in figures add a telling rider to the . November. Chancellor's warning of inflation returning rapidly to pattern double figures if common sense surveys of does not prevail on the wages front. For they show that the warned that it has been receiv-underlying rate of inflation in lng an increasing number of industrial costs and prices has already begun to increase.

#### Input costs Last month the price index

for materials and fuel bought by manufacturing industry rose by 1j per cent, as against a mere | per cent in December, raising the 12-monthly rate from 5 per cent to 8 per cent. Part of this increase, it is true. can be attributed to the rise in the posted price of crude oil recommended by the oil-producing countries in OPEC. But the underlying trend in industrial input costs has been edging up ever since the summer. In the past six months the materials and fuel index has risen by just over 32 per cent whereas this time last year the trend was downward. The whole of this latest rise has occurred in the last three months: in the three months to October materials and fuel costs remained virtually unchanged.

#### Evident

It will be some months before the acceleration in raw material. 2 per cent as against 1 per cent could not be clearer

These figures linus out the svident in recent surveys of industrial cost trends. The Price Commission has applications for price increases from industrial companies. The latest trends survey by the Confederation of British Industry pointed in a similar direction, while the Financial Times monthly business survey has been showing a clear upturn in industry's inflation expectations since last summer.

The change of tone marks the disappearance of two factors which had hitherto been in industry's favour—the low level prices, and the decline in the summer. In the last 12 months The Economist index of industrial commodity prices has recorded an increase, in sterling terms, of 25 per cent while the metals index has shot up by 34 per cent. These rises may not all be held, but they reflect the change in the underlying supply/demand situation since world trade moved off the bot-tom of the mid-70's recession.

At the same time, unit labour costs (for the whole economy rose from an annual rate of 7 facturers' output prices and thus into prices in the shops.
But here, too, an upward trend can already be detected. The provisional figure for output oprices last month happens to show the smallest January industry's labour and material increase since 1973, with the costs and output prices lend output that that the 12-monthly rate. per cent in the third quarter of result that the 12-monthly rate some support to the view that fell from 82 per cent in cost increases have not been December back to the level of fully passed on but have been 71 per cent which had been to some extent absorbed by a maintained between August and squeeze on profitability—a tend-November last year. But the ency that the Price Commission's comparison enhanced powers could make brings out the latest trend. On worse still. The threat to investthis basis, output prices rose by ment, growth and employment



**MEN AND MATTERS** 

'It looks like it isn't going to stop with the lower paid."

constituency, with a likely 13

per cent Tory majority, includes

the other camps are less clear. The Labour Party seems uncer-

tain whether it is more hostile

to Europe or to spending money getting Euro-MPs elected. The Liberals are not in much better

shape, although a spokesman

said it was "hoped to have chosen 90 per cent of the candi-

Joan of Arc has been drawn into

an elaborate snub just issued to

dates by mid-March."

Cold steel

The battle arrangements in

cesses. Lancashire East is remarkable in having chosen business consultant Edward Kellett-Bowman, trying his luck in two other constituencies; he has secured the fairly good tracted from the Community. In chance of the Euro-seat next-door to that of his wife Elaine, his own case, translation to Strasbourg would mean "a con-siderable financial sacrifice." selected for rather-more-Tory-Further south, Sir Henry Plumb, former chairman of the "We have always worked as a team," says Mrs. Kellett-Bowman. She is already armed National Farmers Union, who failed to secure Tory Camwith a dual-purpose slogan "E K-B for EEC." bridgeshire, can breathe freely again having found favour in The Other Place: his Cotswolds

Unusually, she put in for only one candidacy, and apart from Jim Spicer, MP for Dorset West. is the only Tory MP so far to have secured a Euro-candidacy which overlaps with her West-minster seat. "I believe if we are going to make a success of the first directly elected European Parliament," she says, "it has got to cog into the West-minster Parliament. There are going to be a lot of businessmen going to be a lot of businessmen and so on who will need guiding from those who are old hands."

Partly on the basis of the Common Market referendum, they are convinced that the North-West is actually in-terested in Europe. One of the more obvious reasons is the Regional Fund, from which the . President Giscard d'Estaing. He North-West stands to benefit a was to have attended celebragreat deal. But Kellett-Bowman, tions to mark the 550th annian old Europe hand insists that - versary of the momentous the electorate should not just be occasion in the Vosges when interested in what can be ex- Joan heard voices-and

But Giscard will not be going. The celebrations have been cancelled, as a thinly-veiled protest

at the high unemployment in the local steel-making communities. The rebuff declares: These ceremonies must be sober and modest. We have no right to indulse in sumptuous entertainment . . . "
History also repeats itself.

In the Vosges they argue fluently that British steel policies are largely to blame for their own woes.

## History on wheels As soon as the Pope had left

the Dominican Republic, a Texan businessman telephoned with an offer for the Jeep in which he had travelled around the country. But in Santo Domingo, the government would not be tempted. The Jeep has been declared a part of the national heritage.

### Roy picks Dick

It will be announced today that Roy Jenkins has selected his former colleague, Dick Taverne, as Britain's member of the team to investigate the workings of the European Commission in Brussels. Representatives from France and Germany on the five-man team have been chosen by their governments—but in Taverne's case, Callaghan merely nodded his assent to Jenkins' personal

Taverne was an eager pro-European until he was eased out of the Labour Party; he is now much occupied in TV and radio work. He tells me be expects to spend several days a month in Brussels until the report is

### Dollars for lives

cash-raising campaign that unites companies as diverse as Citibank and Burger King each has given \$100,000

inspired to enter battle against seems to have won the heart of the English. seems to have won the heart of cynical New York. Many of the contributions are merely dollar fund offices.

The aim is to supply every New York policeman with a bullet-proof vest. Each vest costs \$1,000, so with 15,000 cops on the city's strength, that is a mammoth task. Within a week or two, the campaign has trevelled a third of the way to

Last year, five New York policemen were shot dead and a poll shows that 81 per cent of the force wants bullet-proof clothing — which the city is too poor to supply.

In London, such an idea sounds outlandish. New Scotland Yard only issues the vests "in special circumstances." A spokesman commented yesterday: "We're a long way from New York."

But out at the Heathrow Hotel yesterday, a select audience was showing keen interest in the body armour" on offer from a Glasgow firm, An exhibition of defence equipment has been laid on to coincide with a conference on Defence and the Muslim World. According to the Glaswegian suppliers, their vests will stop all manner of bullets — not to mention knives and grenade fragments.

### China clippers

An elaborate "Departure Dossier" has been prepared by Thomas Cook for tourists plan-ning to visit China. The preamble says: "Rest assured it will be an experience not easily forgotten." A few pages on appears this nugget: "Some hotels have bairdressing facilities catering for both sexes. Standards vary but it is usually good for entertainment in the evenings."
We know that Peking cannot

be transformed in a day—but after a tramp along the Great Wall there surely must be more fun around than a session with

Observer

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## FINANCIAL TIMES SURVEY

Tuesday February 6 1979

# Industrial Property

A revival in the amount of new industrial building is being pushed along by an explosion in the volume of investment and development activity by the institutions. But the market remains subject to the country's economic condition and to demand by industrialists who need to expand.

## Steady demand space

By John Brennan

SCHIZOPHRENIC alement has crept into discussions of the industrial property market in recent years. On the one hand there is ample evidence to show that British industry has been reluctant to increase its capital investment in new plant and equipment. On the other, there has been an equally underiable revival in the amount of new revivat in the shing, and a inches explosion in volume of institutional investment in industrial property.

On the face of it these two sides of the same market—the depressingly sluggish rate of industrial expansion and the bullish pace of property investment and development activity -are irreconcilable. Looked at more carefully it is possible to see that this division between warehouse tenants and the

for new building and industrial investment would suggest. But even if the market is not quite as unbalanced as it at first appears, there remains an un-comfortably wide gap between the hard economic realities of the current industrial situation and the long-term hopes of industrial property investors.

Turning first to the more cheerful analysis of the prob-lem, it is possible to see that British industrialists have not entirely abandoned capital investment, and that developers and investors have not been creating an unfillable mass of new buildings.

Treasury and Confederation of British Industry statistics suggest that private manufacturing investment will have risen by between 10 and 15 per cent during 1978. Manufacturing output is still barely scraping above the levels reached during the three-day week five years ago, and CBI surveys still sug-gest that around half the country's industrialists believe that they are operating with unused capacity. But at least there is no investment "strike" and these gross figures, depressing as they are, do not altogether negate the continual need for

new industrial premises. There may be no economic miracle to fuel demand for the reconstruction of Britain's stock of industrial property. But at the same time there is steady demand for new buildings to take advantage of changing

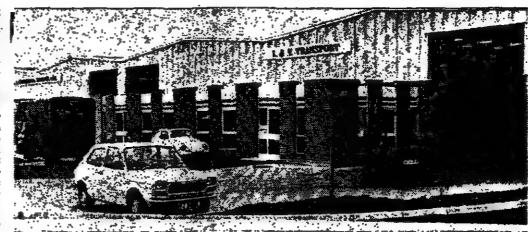
markets, changing transpor systems and modern storage and production methods. However be to commit cash reserves or to incur additional debt for new buildings, he cannot for long ignore these basic commercial arguments for more modern or

Trade unions provide another sharp spur to industrialists who remain in out-dated buildings. Whatever the long-term results of the past few years of Government-imposed wage limits, one permanent side-effect of the legislation has been to extend the scope of the traditional union-management haggle over wages to include the whole range of working conditions.

As decent factory and warehouse huildings rank high on the agenda of any such negotiations, and as very many busi-nesses have in the past taken more care over the housing of their machinery and stock than of their employees, union prompting has become an increasingly important factor in raising the level of demand in the industrial property market.

These pressures upon businessmen to consider moves into more modern buildings even during an industrial recession do not stand out from the broad-brush impression of low investment left by a cursory glance at the economic statis-

industrial property is therefore rather pessimistie investment than a stronger analysis.



The steady demand for new buildings to take advantage of changing markets has produced premises such as these, part of a 44-acre trading estate at Ramsgate, Kent, built in partnership with Ramsgate Corporation

figures might suggest. At the same time the supply of new

Such talk gives an unrealistic icture of the level of new building in the country. On the best estimates now available it appears that around 10m su ft of speculative factory and warebuildings were started in Even adding in perhaps the same amount again of preing plant, we arrive at a total of new space that represents only country's total industrial stock.

ings will have been constructed on established industrial sites. and as the site-cover allowed by modern planning regulations and the need for modern transport access is considerably lower than that of older industrial estates, it is reasonable to assume that space lost through demolition would have clipped at least a third from the gross total of new buildings started last year. As suitable greensites become increasingly difficult to find, the net-to-gross

Looked at in that way the new building boom can be seen for what it really is, a recovery to a more normal level of indus-

figures for new buildings are

likely to move further and

trial building relacement and only a marginal annual addition to the country's total indus-

trial stock That summarises the cheerful approach to the current state the market: industry may not be keen to expand, but even in recession there are always com-mercial or union-influenced reasons to upgrade the quality of factory and warehouse buildings. At the same time the the creation of new indus-trial property is only of a sufficient size to match this basic letting demand, a point made clear by the national floorspace surveys carried out past 18 months have shown a very steady reduction in the

The less cheerful analysis of the industrial market focuses on the longer term problems of an economy where capital investment remains at a low ebb. Any such analysis strays immediately into the realms of polities, and once there can only be based on speculation.

The worst possible scenario is hardly worth considering; a long-term run down of the economy, drastic Government efforts to reprime the pumps of industrial production with consequent bouts of either runaway inflation or socially unacceptable restraints. That recipe for economic decline would leave no sector of the financial market, let alone the property market,

On a less dismal forecast a gradual recovery in capital investment would fairly rapidly absorb the remaining slack in the industrial property market. In that case the relatively short time needed to carry out an industrial scheme, the more than adequate finance available from financial institutions to fund such politically and socially acceptable investments, and the surplus capacity in the construction industry could comfortably meet any upturn in demand for new space. The only real bottleneck to any wider recovery in the development cycle would be the problem of finding suitable development

As the report on industrial development in this survey shows, the prices of develop-

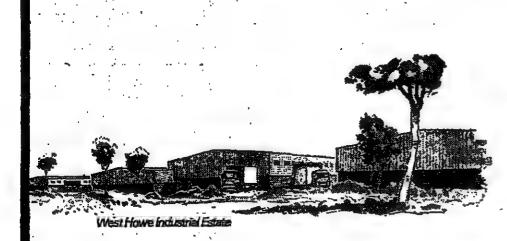
countrywide total of available ment sites have rocketed in the past year, and developers complain of a near land far-ine in the more popular area, of the South East. Yet there is plenty development now lying disused within the inner cities or blighted by local planners still

obsessed with housing. Fortunately, attitudes to plan ning have been, and still changing. Red tape birth, and in of some councils Community Land Act powers take on a frighteningly complex and obstructive form. But partner-ship schemes with local authorities are becoming commonplace. And if the rates of Development Land Tax were adjusted to eliminate the confiscatory elements built into the legislation at its creation, site acquisition would cease to be a major prob-

to attract exaggerated comment. If it is a dull week, the slump upon us. If a couple of good deals happen to come into public view at the same time—no matter when they were actually agreed and completed—then it

is "boom" time again.
So it is with the industral property market. The past year has seen no industrial development "boom," only a long overdue recovery in the level of new building. It will need firm evidence of an equal recovery industrialists' will to invest efore developers and their funding partners really get the bit between their teeth.

# A look at the Industrial Property Front....



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Nugent Industrial Park, ORPINGTON, KENT

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LATEST

up of new construction.

variations on the main theme.

Speculative

the older type and factory space remains fairly constant.

there was a considerable

is a lot of development going

on and the survey distorts the

construction.

Yorkshire and Humberside

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## **FORTHCOMING**

PROPERTY SURVEYS

Property in the North West Property in Scotland 11th May International Property 30th May

Property 23rd july Industrial Property 18th September Office Relocation City of London Property 23rd November

or further information please contact: Cliff Caunter. Financial Times, Bracken House, 10 Cannon Street London EC4P 48Y. Tel: 01-248 8000 Ext. 234 underlying buoyant trend in

chartered surveyors King and lands there is a sharp drop in Co. reflects the trend in the marthe amount of warehouse space ket of an increasing take-up of available and according to King vacant space and a steady build it is difficult to find the 'right warehouse in the area. Rents The increase in construction in some areas have picked up work is even more impressive when compared with a year ago construction.

when the figure was just 5.8m
square feet. And it is worth noting that there was an increasing amount of pre-let building pick up in development, but this going on in 1978 and this would will probably drop back again. by-pass the King survey com-pletely, so the trend is even In Avon and the South West there is a fair amount of activity around Bristol reflecting an up However, within the regional breakdowns there are obvious swing in rent levels, though it is difficult to read very much

from the figures at present. The increase in warehousing South Wales, like East Anglia is one of the quieter regions. The Welsh Development Agency space in the north-west was not anticipated and rather than pointing the way to a definite is very active but a lot of its building is of small units of trend the figures probably say more about the weakness of any under 5,000 square feet and this survey taken on specific dates. In theory there should be no does not show up in the King rise. The sharp increase in fac-

The London figures are very much as could be expected. The warehouse space available has tory space was expected, for nearly all of the increase is accounted for by the first time inclusion of the BL closure and, declined while the increase in factory space evidently contains a fair smattering of older pro-perties. New factories are snapped up fairly quickly. boosted the figure in the north-

Home Counties North is also fairly representative of the market but it is difficult to get development sites in areas In the north-east speculative construction is never very high because English Industrial around Bedfordshire and Hertfordshire. Estates controls the market, and

In the Home Counties South the construction figure represents mainly EIE building. The there is a lot of activity. The warehouse figure is a little surprising as there is plenty of movement on both the letting and development fronts. Possibly warehouse space tends to be of the dull figures are just a reflect 1. Premises with floor areas less than 5,000 sq. ft. figures—only the second time that King has cut this region out of the North East—reflect the strong letting market, but

not much building. Little new property is being built because at the beginning of last year the ability to fund smaller units surplus. Though the letting easily, builders are switching to B. Approximate percentage situation has improved con-siderably, developers have tended to hold off on new smaller developments and although activity will appear to continue buoyant, on a square footage basis, new construction In the West Midlands there could be down this year.

**Terry Garrett** 

## Meanwhile in the East Mid- OVERALL TOTALS OF FLOOR SPACE IN SQUARE FEET MID-DECEMBER 1978 (AUGUST 1978 FIGURES IN BRACKETS)

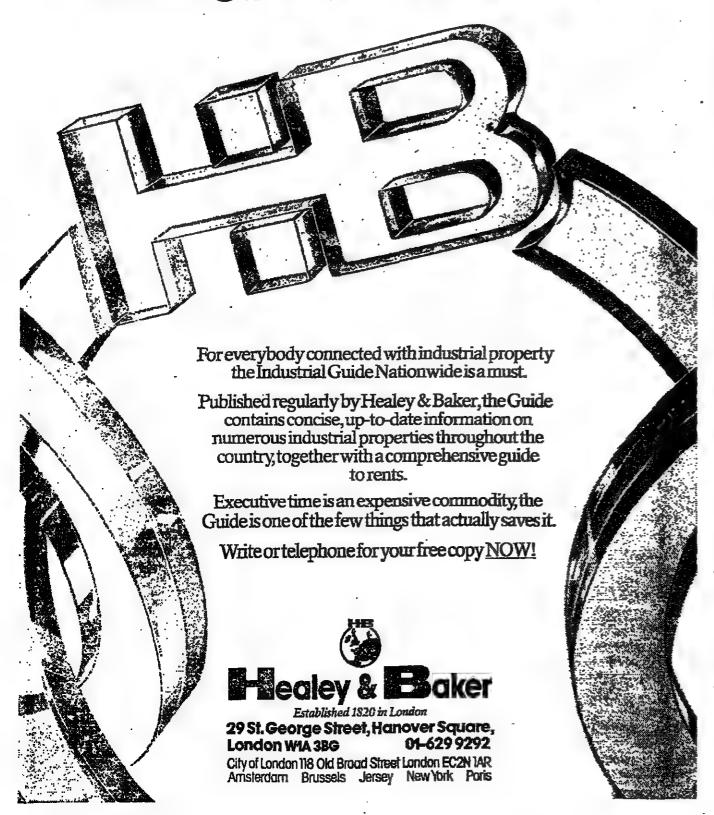
(AUGU:	21 19/9 LIGOUP	, , ,	BUILDINGS unde
ENGLAND AND WALES TOTAL:	WAREHOUSES (Vacant and To Let/For Sale) 27,082,000 (28,905,000)	FACTORIES (Vacant and To Let/For Sale) 37,031,000 (27,788,000)	CONSTRUCTION Occupation within 6 months 10,868,000 (10,230,000)
By Regions		` 7,266,000	1,711,000
NORTH WEST (including North Wales)	5,336,000 (4,834,000)	(5,778,000)	(1,641,000)
NORTH EAST	1,227,000	4,947,000	1,598,9 <del>0</del> 0
	(1,367,000)	(4,812,000)	(1,297,000)
YORKS, HUMBERSIDE	2,581,000	2,604,000	######################################
(includ. Notts, Lines, & Derby	(3,761,000)	(3,397,000)	
WEST MEDLANDS	2,733,000	4,640,000	1,490,000
	(2,412,000)	(4,969,000)	(1,569,000)
EAST MIDLANDS	1,018,000	1,356,000	709,000
	(1,508,000)	(1,332,000)	(540,000)
EAST ANGLIA	880,000	769,000	108,600
	(632,000)	(684,000)	(71,000)
AVON/SOUTH WEST	1,338,000	1,256,000	392, <del>9</del> 00
	(1,276,000)	(1,381,000)	(291,000)
SOUTH WALES	351,000	1,476,000	583,000
	(335,000)	(1,609,000)	(448,000)
LONDON/HOME COUNTIES	11,318,00 <del>0</del>	12,717,000	3,562,000
TOTAL:	(12,780,000)	(13,826,000)	(3,217,000)
A. London	6,400,000	7,911,000	1,114,000
	(7,006,000)	(7,241,000)	(1,022,000)
B. Home Countles North	2,315,000	3.131.000	1,556,000
	(3,193,000)	(3,975,000)	(1,264,000)
C. Home Counties South	2,603,000	1,675,000	892,000
	(2,581,000)	(2,610,000)	(931,000)

tion of movements on the day 2 Premises still occupied but unofficially on the market to let or for sale. the survey was taken. Factory space is well down, however, a Multi-storey mili premises mainly in the North East and North West Regions.

mirroring a reasonably strong 4. "Semi-derelict" premises where it would be difficult to justify refurbishment.

King's general comments in Additional Information (August 1978 Survey in brackets) clude the view that because of A. Number of premises over 100,000 sq. ft. .90 (83) WAREHOUSES FACTORIES 56 (51) more than 10 years old C Approximate percentage of single-storey 81 (82) 86 (24) buildings D. Approximate percentage of multi-storey 19 (18) 14 (16)

# Industrial Guide Nationwide The time saving booklet linking property to people



# Investment a ticklish problem

manages to exhibit every crop. classical economic definition of certainly non-homogeneous, and the information flow within sual degree of political sensi-

It matters not that schemes to direct new equity capital from the pension funds and insurance companies into manufacturing industry are generally ignored by industrialists. Trying, but failing to help finance industry just adds up to failing in the simple rhetoric of politics. And as that failure could provide a good populist stick to drive the institutions on to the road to direction of investment funds, imagine the relief within those funds' investment committees when industrial property comes

Industrial property has every-thing for the fund manager. It comes in a wider range of prices than any other prime property investment, as it is still possible to acquire a top quality unit for under £im, a price tag that would cover few shops of corresponding quality and even fewer offices. It can be deve-loped within a reasonable time without the potential cost over-runs of a 3-4-year office scheme. It has a sound track record as an investment medium. Best of all, it is politically respectable.

### Arguments

There is, however, a feeling of unease in the property market that a number of funds have become a little intoxicated by these arguments for indus-trials. It is rare enough for investment surveyors to criticise their customers. But in the New Year flood of surveyors' number of cautious comments about over-enthusiastic buying by the less well advised institu-

Leavers went so far as to talk of a two-tier market, with "the most bullish and aggressive of the funds" bidding prime industrial buying yields down as low as 61 to 71 per cent, while more conservative funds keep away from the sector unless they can buy in the 7½ to 9½ per cent yield range.

To judge by market gossip— which in this imperfect of markets remains one of the best barometers of investment fashion—the surveyor's fears are well justified. There are countless stories of smaller local authority pension funds new to property investment and keen to follow the bigger funds into factories and warehouses that have paid prime prices for schemes still dizzy from their many unsuccessful trips around the investment circuit.

In Phineas T. Barnum's immortal words, There's a ucker born every minute." And

PROPERTY INVESTMENT is a on the fringes of the industrial crease their holdings of industrial cent by 1983 and prime shop ticklish problem for financial property market it looks as trial property, and forecasts property selling for initial institutions. Unlike most other though 1978 was a particularly that if prime yields now stand yields of around 5.5 per cent. investment markets, property fruitful year for the sucker at 7.5 per cent, they will have

Unwary buyers tend to hog imperfection. There are few the headlines, and the few spec- in 1981. buyers, few sellers, the product tacularly low yields accepted on It seem industrial property purchases last year have tended to overthe market is both restricted shadow the more conservative and selective. On top of that, property has acquired an unand more cautious institutions have been willing to see a sig nificant erosion of the tradi-tional yield gap between indus-trial and office and shop investments. To judge by the various indices of past performance they are right to re-rate industrials. But what of the future?

The Henley Centre for Fore-casting recently brought com-mercial property into the sights of its crystal ball and come up with some dispiriting and some encouraging forecasts for industrial property supporters.

In the view of Henley's com-puters, industrial rents in 1979 are likely to rise by 14.1 per cent, very comfortably above the rental growth needed to justify buying yields towards the top of the 7½ to 9 per cent range. But Henley's projections of rent growth after 1979 begin to tail off alarmingly. For 1980 the Centre antici-

pates average rent increases of only 6.4 per cent and the cumulative rent growth between now a third to current rents. In comparison, the Centre expects Central London office rents to increase by 17.8 per cent in 1979, 14.8 per cent in 1980 and then by an average of just over 9 per cent a year until 1983.

What effect does the Centre feel these rent figures will have on investment yields? Well, it recognise the buying pressure of pension funds trying to ineased to 7 per cent by 1983 after

Henley does, threfore, accept the self-fulfilling effect of the institutions' enthusiasm for a temporary dip to 6.5 per cent industrial property. It sees office yields at 5 per mind the fundamentals so long

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WE ARE FAST approaching the third anniversary of the passing. (CLA) and its twin sister Development Land Tax (DLT).

With the introduction of this legislation the property world perty development company was a thing of the past. However, over the past three years Britain has witnessed one of the largest industrial development booms seen this century. What quantity of industrial space has been developed is very difficult to gauge but hardly a week goes by without some new industrial development scheme being

Leading the way in this country have been many of the traditional industrial developers —Slough Estates, Brixton Estate, Percy Bilton, Allnatt London-along with other property companies which had little or no involvement in the

Yet the industrial development boom took off at the time legislation was introduced which the property sector felt was aimed at curbing its activi-ties. At the time of its introduction critics claimed that CLA and DLT would slow down development and in certain ing the role of rent collectors.

CONTINUED PROM PREVIOUS PAGE

hot, initial yields will stand

below any objective estimate of rental growth. The sheer

rental growth. The sheer weight of investable cash will

take care of any credibility gap between buying yields and

realistic forecasts of gross re-demption yields. And, if the

actuaries baulk at the figures,

there is always another fund

down the line keen to take on

In a market such as this,

objective analysis looks redun-dant. It is possible to argue

that some of the buying yields

accepted by funds in recent

months bear little relationship

to realistic income potential. But if the market is willing to

accept the illogical, why argue?

And as Henley's forecasts are based on hypothetical average

the property.

as the capital market remains performance.

10

 $A(p_j)$ 

175

1981

Delli

But the industrial development boom has proved this not of the Community Land Act to be the case. And in retrospect many developers now see that CLA and DLT has hadlittle affect in curbing their activities in the industrial and its supporters felt that sector. Even the hated DLT, traditional development as which taxes the value of land Britain knew it was over and on the basis that planning per-that the role of the active pre- mission increases its saleability and worth, has not hit devel opers as hard as one might have originally anticipated.

Developers were not slow to meet the growing demand for new warehouse and factory space as Britain's economy came through the recession of the early 1970s and industry realised that if it were to be competitive both at home and abroad then it must become more efficient.

#### Change

Efficiency meant in most cases new industrial space, and demand for modern ware-house and factory accommodation has been widespread throughout the UK. As production and storage became more technologically advanced during the 1970s, developers and architects had to change to meet those needs. Whereas eaves heights had been around 15 ft the demand was areas bring it to a total halt for higher and higher clearwith property companies assum- ances and now we see the introduction of 25 ft eaves.

with the idea that his particular

properties are a cut above the

In this important market

today's apparantly lunatic pur-

cases of ill-advised funds may

well become the sound invest-

ment holding of the future. And

so long as industrial property

remains a politically acceptable

home for institutional finance

it will retain a premium value that cannot be expressed in

any objective analysis of invest-

ment performance, always assuming that there are indus-

Investment

During the early days of the CLA many institutions made it quite clear they were unhappy about the 99-year leases which a developer would receive on local authority owned land. Some institutions told both the local authorities and property developers that they would not fund schemes on council-owned land. The leases, they argued, were far too short and that actuarily a leasehold development on a 99-year lease was not

With the average life of industrial reckoned to be around 50 years the funder would only get two bites of the cherry over the duration of the lease. But land leased over 125 years gave the institution at least a third slice

trialists to fill the space, or actuaries too impressed by the sector's past performance to notice the voids. -Baron Phillips funding from an institution,

Another reason for the huge growth in industrial development springing from the enormous demand for space came as a result of dearer energy. No longer could distributors locate their denots and warehouses miles from the nearest motorway or huge supermarket chains have their supply points a long stretch from their outlets.

Distribution, like industry, had to become more efficient in order to make the operation more cost-effective - which is why each month a new industrial estate is announced close to a motorway or large arterial road system.

All these factors gave rise to a demand which developers who survived the property slump were only too glad to meet. And although the introduction of the CLA looked as if it might push developers into the role of project managers acting for the landowners, the local authorities, in fact nothing further from the truth has happened.

In fact so big has the demand for industrial space become that even the generally conservative institutions have leapt on to the bandwagon and many property trusts, pension funds and insurance companies have all started schemes of their own.

However, while development of freehold land presented no coblems at all to either the traditional property developer or the institution, land which was owned by local authorities was an altogether different

profitable over the long term.

of the cake.

In the early days of the CLA there was a general holding for a further 26 years on the back of development schemes original lease. This has made here the developer needed everyone happy, especially the perty rather than prop up com-



The original 600-acre Slough Estate pionecred the industrial estate concept. Recently, the Slough Estates group and similar developers have found renewed demand for factory and warehouse space

taking an equity stake.

were duly issued from all sides and councils in many observers of the property areas where new industrial sector wondered aloud whether space was desperately needed began to put pressure on the Ministers to allow 125-year leases. At the beginning the Department of the Environment resisted these overtures and it simply search out the schemes was left to the local authorities and put together a package for to come to ad hoc agreements the institution which would with developers and institutions take over the development once that leases would be extended it was built and let. to 125 years. In any case many developers, in common withsome local authorities, felt the CLA would only last as long as the incumbent Labour Government. As soon as the Conserva- busy de-gearing to consider tives were re-elected then they

Today many institutions will say that where development is taking place on council owned land an option is being granted institutions which are strongly

would repeal the CLA.

and where that institution was involved in industrial develop-

Once the impasse was broken traditional role of the developer was over and that he would simply fall into the project manager slot. It was developers would

During 1976-77 this was regarded as fair comment. Most property development companies were still recovering from the crash and were too taking on further debt of any

The institutions were stepping in to bridge the gap left by a foundering property industry in both the industrial and commercial sectors. They were keen to invest directly into propanies which had over-extended themselves during the halcyon provided them with an excellent

Instead

development.

However,

they turned

pile up. The sector was attrac-

First, development was chean

tive from many points of view.

compared with commercial

space and in 1977 looked less of

risk than office accommodation,

which in some areas was still

suffering from an oversupply.

Second, industrial development

was quick. Erection of ware-

house accommodation could be

completed in a matter of

was normal in commercial

with a complete package con-

despite

Apart from large institutions such as the Norwich Union. Commercial Union and Standard Life which had already established large and sophisticated property development departments, increasing pressure came from the smaller property unit trusts and bonds. The trusts and bonds began

to find themselves flush money as the economy picked up and confidence returned to the property sector. How to invest this money became of great concern to trust and bond managers.

Pressure was already beginning to build up in the invest-ment market where demand for prime fully let properties was increasing almost daily with the consequent fall in yields. Clearly as prices went up and returns down many of the smaller institutions could not comnete on the same terms as the giant insurance companies and sisting of the land with planning permission and the whole scheme virtually pre-let

Property trusts and bonds were still not in the business of funding speculative schemes even at this stage. However, as industrial development took off and became more competitive the institutions had to take more chances and bend their

Fleming Property Unit Trust joined with tax expert and property tycoon Geoffrey Bradman on a large industrial development scheme at Croydon, South London. Under the arrangement Bradman guaranteed the rent of the scheme once it was completed until every unit was fully let or the agreed rent roll had been reached.

But even this had to change as the industrial development market hotted up. Nowadays it is not unusual for institutions to take on speculative schemes on sites which they consider absolutely prime.

Although it seemed in the early days of CLA and DLT that the institutions and the local authorities would have it all their own way this has not happened in practice.

Many of the smaller industrial schemes brought to institutions are from private developers who want to realise an immediate profit on a development once construction has been com-pleted. However, even this is beginning to change as private groups like Viking, Ashville and Dimsdale seek to build up their industrial development, which own portfolios.

Meanwhile the giants of the outlet for the cash beginning to industrial development world continue to find their own schemes and finance without having to part with any of the equity. The boom marches on. Schemes are getting bigger rather than smaller.

The joint Haslemere/Crudens scheme in Reading covers a massive 72 acres and when finally completed will provide around 1.25m sq. ft. of industrial space. There is even talk months rather than years, as of larger schemes on the way covering sites of 100 acres or more.

advantages institutions took a Neither the presence of the fairly cautious approach to ininstitutions nor the efforts of the Labour Government have dustrial development. Smaller funds like Fleming, Lazards, been able to curb the activities Hambro, New Court were not in traditional developers and it is unlikely the a position to go scouring the country looking for prime development sites. They had steam will be taken out of their efforts until prime industrial to wait for mainly private land really begins to dry up. developers to come to them

**Baron Phillips** 

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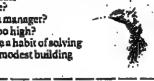
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# Security a major headache

INTERNATIONAL terrorism has added a new and appalling dimension to the risks to life and property which few companies or organisations have been able to ignore. For many of them the added costs of providing both staff and equipment to combat this newest security risk are proving to be a very significant addition to over-

To the huge private armies of security men employed by specialist companies have been added "in house" security staffs. A great deal of emphasis is now being placed by tenants and companies seeking larger office buildings, on the suita-bility of properties from the security angle. Property owners have always expected banks to look for special and sophisticated security when seeking a building,

For example, Bank of America was first attracted to its Cannon Street, London head-quarters because the building occupied an island site, which made security more simple, After the robbery of the bank's West End premises a few years ago, when the raiders tunnelled their way into the safe deposit vault from an adjoining build-ing. Bank of America sees its security from robbery enhanced by lack of attached buildings. Tenants of other major office buildings have found that landlords have restricted access to the premises to one entrance, so reducing the number of security staff needed. As an anti-terrorist measure the same procedures have been adopted in some shopping centres and large retail stores. Even some hotels which formerly had access from two street frontages have been forced to seal off one entrance to deter terrorists.

In a multi-tenanted building the provision of these extra security measures falls on the landlord, although in almost every case the cost of providing security is passed on to tenants. These costs, together with ser-vice charges for cleaning and other items of expenditure on communal parts of the building, often represent as much as 25 or 30 per cent of the rent paid by the tenant, although in London and other areas of high rentals the percentage is lower. But the guard against security risks does not end there. The arrangement of fire insurance, intruder alarms and smoke and sprinkler systems are a few of the other costly items which

to pay for.
Fire insurance policies normally cover not only loss or damage by fire but other perils -subject to exceptions which war period it was possible, once

both owners and occupiers have



The emphasis on security has forced companies to tighten up on access to their buildings. Here security company employees deliver money by armoured van to industrial premises in South London insurance schemes which can a saving in premiums.

been made, for them to remain unchanged for lengthy periods. However, the onset of unpredictable rates of inflation allied to volatile building costs has forced the need for a complete reappraisal of methods

Insurance companies have found it essential to introduce a number of new schemes to meet the requirements of the market. Most of these treat the inflation element of the sum insured, particularly for industrial and commercial properties, as a special item to suit the needs of the individual policy-

Property insurance is complicated by what is known as "average." This is an insurance term for a practice which operates in this way: if a property to which "average" applies is insured for a sum less than its value, then any loss is shared between the insured and the insurer in proportion to their respective liabilities, and the difference between the value and the sum insured represents the figure on which the insured's share of the loss is to be based.

the event of his being undercommercial

result in "average" applying only if the sum insured is less than 85 per cent of the full reinstatement value. This gives a margin if there are any unforeseen circumstances in the future in relation to either increased values, delays in reinstatement of a building, or inflation. This margin could be a considerable benefit in the case of partial loss. But if the sum insured was less than 85 per cent of the full value of reinstatement then "average would be applied in full.

#### Allowances

Estate agents Richard Ellis has come up with a new approach to the problem for policyholders who are willing to base the sums insured on a professional valuation or who would be prepared to do so in the future. Member companies of the Fire Offices Committee have worked out a common approach in which sums insured comprise two elements for the calculation of premiums; first, the estimated cost of reinstate-The insured partly therefore ment at the beginning of the contributes to his own loss in insurance period and, secondly, insurance period and, secondly, Kingdom and it fell to a French the allowances in respect of ininsured. Recently there has flation or future increases in are defined in the insurance been some relaxation in the costs and the premiums for this ance is that if Viking sells any policy. In much of the post-application of "average" for part of the sum insured will be insured building within the

There can be no doubt that term. a large number of companies To are under insured for fire risks. One recent survey of 100 companies indicated that two were over-insured, 19 adequately insured and the rest underinsured by varying percentages. The companies surveyed were representative of a broad spectrum of small to medium-sized industrial and commercial concerns and the buildings involved included factories, workshops, hotels, office blocks and shops.

Property owners also require seeking over the years but which few have been able to obtain. But recently the Derbysucceeded in obtaining longstructural defects in its new commercial developments.

give a 10-year guarantee against defects arising in the structure of its weather-proofing envelope. Viking was not able to get the cover in the United group to insure the risk. One of the advantages of the insurindustrial calculated at a lower rate with 10-year period of the insurance

insurance against structural defects in new commercial developments, an area of are installed by companies approved by the National Supervisory Council for Intruder Alarms. security which many have been based Viking Property Group term insurance cover against

The insurance effectively will per cent.

To most of us the word security conjures up thoughts of intruder alarm systems and the annoyance of continuous ring. ing bells from the high incldence of false alarms. The annual turnover of the alarm industry in 1976, according to the Price Commission report, was about £44m, of which more than 50 per cent was for new installations. It is estimated that since 1920 about 300,000 intruder alarms have been installed in the UK. Currently 150 to 200 companies are adding about 35,000 new systems a year and of this total about 25,000

These approved installers, of whom there are 110, are required to provide a certificate for each new installation and last year about 26,000 certificates were issued. Around 12 per cent of the new systems are inspected and classified each year by the council. In 1972, the first year the scheme operated, only 10 per cent of the installations inspected had no significant deviations from the British Standard, but by 1977 the figure had soured to 81

new owner for the unexpired signalling an intruder was: bell only, 34 per cent; 999 system, 50 per cent; direct line to police or a central police station, 16 per cent. Private houses, clubs and small shops accounted for about 36 per cent of all instal-lations, of which the Price Com-mission found that about 15 per cent were in private houses. Large retail or wholesale out-lets account for a further 6 per cent of total installations by council-approved companies.

Alarms in offices and small trade outlets made up a further 32 per cent and those in indus-trial companies, in factories and warehouses about 6 per cent. Potentially vulnerable nesses such as banks, building societies, post office and jewel-lers account for a further 11 percent, and doctors often worried about the loss of dangerous drugs-I per cent of all installations. Public buildings represent about 6 per cent of all installations and public houses and off-licences the remaining 2 per cent.

Although the number of intruder alarms, which have been installed in shops, offices and factories over the past few years has been growing steadily there is still a very long way to go before Britain has the 750,000 intruder alarms which

Rory Ferguson

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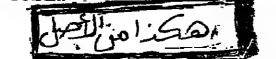
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Stirling, Springkerfe Industrial Estate 8,100 sq.ft. single storey warehouse for sale.





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# Companies happy with the market

The great industrial boom dustrial development. which took off at the beginning of 1977 became the saving grace of the property industry still reeling from the effects of the 1973-74 collapse which left the commercial development giants

During the period which preceded the collapse industrial development was left very much to the specialists such as Slough Estates, Brixton, Percy Bilton, Allnatt London Properties and others. At the time it prospects look extremely bright, was considered a dull and unglamorous sector which drew potential. The present rent roll little attention from either is about £5m, which works out investors or funders looking at less than £1 per sq £t — indicating the historic basis of the sparking commercial devaluation. for quick profits from the more sparking commercial devel-opers. While property shares were the darling of the Stock Exchange heavy investment was mainly aimed at the more exciting commercial sector. Shopping centres and office

trial developers continued to expand their portfolios of expand their portfolios of or redevelopment, mainly in the industrial estates and the value of their assets, shareholders were demanding that they should embark on more interesting commercial schemes. teresting commercial schemes. Shareholders wanted to hear their company directors telling them about massive office projects where tenants were prepared to pay £20-plus per sq ft for space in the City of London. They were not keen then to hear about increased lettings on the companies industrial estates where rents were as low

as £1 per sq ft, or less. commercial development, but others such as Allnatt London continued quietly in the industrial sector. There is little doubt that Allnatt London is the most conservative property company quoted on the Stock Ex-change. Founded in the 1950s. it is based on the formula of constructing industrial units only for specific tenants and tailoring each scheme to suit financing one. the leaseholder's own requirements. In more than 20 years companies have had a fairly analysts, is an unknown quan-

Today the group has developed about 5.5m sq ft of industrial space which carries a net book value of just under £32m — an extremely conservative valuation. Most experts agree that its portfolio is worth not less than £60m; however, the company has not attracted the attentions of institutional

Apart from Allnatt London's current sound footing, its future prospects look extremely bright, cating the historic basis of the group. Mr. Leslie Smith, its which include Clerical Medical chairman, freely admits that and General Life Assurance, early tenants signed 21-year Royal Insurance, The Royal Pension Fund. In November, 1972 Royal Insurance offered a tributing no more than 50p per

Shopping centres and office of ft.

blocks were what investors The company is well placed wanted to hear about, not for future development, howindustrial estates.

Although traditional industries there are about 50 acres of land available for either development ten-acre site in Swindon which it will develop as soon as there are sufficient tenants.

#### Rein

With a steady rise in income over the next few years, Allnatt London has little problem in financing its schemes, yet it keeps a tight rein on borrowing. Because future developments will be on land the company ss £1 per sq ft, or less.

Some companies succumbed to their shareholders' pressure and sought the opportunities in to borrow money for the purchase of sites and their subsections. quent development, Development expenditure has been running at about £1m-£2m a year, most of which can be financed out of the group's income. Alinatt London is one group in which the institutions have found little to interest them, either from a share rurchase point of view or from a

the takeover. Apart from some development sector, institutions have shown greater interest in developing their own industrial deals have occurred over the past couple of years, in particular the Brixton Estate-Royal Insurance arrangement.

At one time Brixton Estate's development programme far exceeded its market capitalisation and it was having to fund its mainly industrial expansion through bank debt. This in itself concerned shareholders itself concerned shareholders last financial year it had no which include Clerical Medical short-term borrowings although and General Life Assurance, a £2m loan had been taken up 1975, Royal Insurance offered a £5m 10-year secured loan to be drawn over a three-year period, and the relationship was further cemented with an additional £5m loan. The price Brixton has to pay for the loan facilities, apart from interest charges, is allowing Royal Pension Fund an option on its ordinary shares which, if fully exercised, could take the insurance company's current holding from about 6.85 to 12.6 per cent.

But for Royal Brixton it Strength appears to be a safe investment. At the 1977 year-end net rents stood at £5.413m, coming mainly from industrial development and

for shares and demand for space. opers which are extremely successful in their own right. In some cases it has to be admitted that the market in a particular company's shares is not large enough to warrant the involvement of an institution.

One typical company is the Midlands developers, A. and J.

OVER THE past two years of continuous development, quiet year considering that the stars of the property sector.

Alloust London has rarely emmany observers were predicting concentration of activity in the the stars of the property sector.

Barked on a speculative inthat 1978 would be the year of the takeover Apart from some this tightly-run family firm has obvious cases in the commercial never attempted to excite the market. A. and J. Mucklow went public in 1965 and despite its new status has never tried property than in acquiring to over-extend itself or move industrial property companies. out of the area which it knows What has emerged is that some best—mainly the Birmingham extremely interesting financing and Wolverhampton area. Yet over the last 20 years it has efficiently established itself as

a medium-sized development company with a portfolio of about 4m sq ft and a current programme which will add a further 1.4m sq ft to the total. Like Allnatt, London, Muck-low keeps a very tight rem on borrowings. At the end of the

over the period. A further £2n

loan has been negotiated but repayments do not begin until 1986 which is a very satisfactory situation to be in. As with other similar companies Mucklow is not keen to part with any equity stake in the schemes it does. It is also interesting to see that there is clear connection with its arrangements and institutional sharefinancing

There are a number of other companies similar to Mucklow which do not attract the attention of either the institutions other major investors-It seems that few, if any, mainly, one suspects, because institutions are concerned at industrial development is not making any takeovers of indus-trial development companies in mercial development is. Where the present boom market both institutions have a reasonably substantial holding in an indus-And no interest is expressed by trial development group there the institutions in a number of appears to be little interest medium-sized industrial devel-mers which are extremely suc-ance company to increase this holding. In certain cases this shareholding has been estab-lished from a loan facility base and with the current strength of the industrial market finance can be obtained without either letting go of the shares or giving too much of the development equity away.

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# Benefits of insulation

THIS WINTER OF our discon- been well ahead in heat saving. it wasted warming the pigeons tish industrialists think again to deal with But German stan-about the advantages of better dards are higher than ours, too, factory insulation, Back in 1975, when everybody seemed to wake standards."

standards."

standards."

leaders of the property includes the control of the property includes the control of the property includes the control of the contro that heat conservation was one future of kind of conservation that did Britain.

even after our new building

future of industrial building in

not clash with economic growth. Trade union militancy and The Europeans did realise it. rail strikes apart, one of the A member of Brixton Estates, a results of the recent cold wescompany that develops indus- ther has been soaring industrial trial property in Britain and heating bills. After years of Europe, says: "The Scandin-mild winters, the sight of heat-avians for instance, have always ing going full blast and a lot of

tent may have one favourable of course, they probably have on the roof has prompted conspin-off. It may make many Brithe greatest extremes of climate servative industrialists with a suspicion of anything that increases the cost of their invest-ment to take a new look. The issue of energy saving has

been newly spotlighted, not only by the bad winter, but by the new building regulations. Pro-perty men in some companies say they only make compulsory the limit of insulation they al-ready provide and standards must soon increase again to compete with European stan-

It may mean more spending. but it will pay dividends and there are grants and tax ad-

vantages available to some com-panies. The recent talks between government and . attempted to determine an econ omic norm for insulation. The Scandinavians base theirs on energy costs ten years ahead. And there is a feeling in the property business that our levels are still pitched too low.

Insulation under the new-regulations would increase the cost of roof covering by 10 per cent to 12 per cent. So far, there are no new rules for glass, which means double glazing is not yet compulsory. But there is a feeling that this will come in future years. At present, roofing represents roughly 8 per cent of total factory building

There are worries that not enough research is being done in Britain into new and better insulation methods. They would probably come more expensive, but heat saving would be greater. In Germany the flat roof, easier to insulate, is more common than the pitched roof, more usual over here.

One property man told me: We would like to provide better insulated factory buildings, but in the present economic situation it is like asking somebody to buy a Mercedes car when all he wants is a Ford Cortina. What we want to get over to the British factory buyer is that spending £1 now on insulation can yield £10

### Regulations

Insulation material in this country is mainly glass fibre, an ideal material for the purpose Most of it is home-manufac-tured, mainly by three compan-ies: Fibreglass, part of the Pil-kington group on Merseyside, Cape Installation, and Newall. part of Turner and Newall

While wanting to help industrialists with energy saving, some property men fear that regulations in the future may become more and more complicated and bureaucratic. One of the problems of facing

insulation research in Britain is the high rate of humidity, particularly around the London area. There have been times in summer when humidity levels have reached 100 per cent and the condensation that results can cause unprotected metal fittings to corrode and maybe fall to pieces in ten years.

People in the industrial build-

ing business do not try to hide such problems. But they do point out to businessmen the future is on the side of better-insulated buildings. It is not easy to produce new ideas. but experts say we ought to have done more than we have in the years since the energy

Alan Forrest



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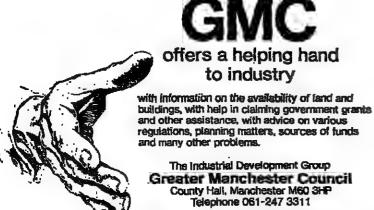
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# Dilemma in docklands

is it proving impossible to regenerate the country's obsolete docklands? After years country's most closely involved are begin-

Towards the end of last year one Tory conneillor on the GLC suggested that London recognise that the problems of the derelict docks are insuperable. All ideas of grandiose development of all should be abandoned, he said, and the area grassed over and there.

There have, it is true, been one or two encouraging pros-pects of pockets of development some of the country's docks. but overall the areas attract heated discussion rather than concrete building. It is not far short of total standstill when the managing director of one of the country's largest and most successful industrial develop-ment groups says simply that he has "never identified a single dockland site which meets the riteria of viable investment."

That man is Mr. Wallace That man is air. Well-Mackenzie, managing director of for instance, are not being Slough Estates. There is a The proposed Tube under the river is bogged down in central transparent logical progression. Vital transparent logical progression in his explanation, "We don't see dockland sites ending up residential services from hous-

demand for space in such areas

and services in these areas." Mr. Mackenzie points out that the prime consideration for an industrialist is the ability to carry on his business profitably. The availability of a factory in a given area is the culmination of all the other factors which enable him to make profits

#### Services

A factory unit by itself bridge is doubtful.

Admittedly there a surrounding communications and local services are good and boil. News Intern there is a pool of staff. If those facilities are absent building a factory makes no sense and will not attract tenants.

Mr. Mackenzie does believe that there is any prospect of the vital facilities and services being introduced at least for many years. The motor-ways into London's docklands, Vital Government opposition.

not viable until there are people of discussion, high-powered at the right price. And the to use them and the people study teams, special committees reason for the lack of demand won't come until there are jobs and incentives, some of those is the lack of sufficient facilities for them and the jobs are not going to materialise until the would include a 6-storey 1,000

residential facilities are there. Meanwhile there is talk of a new bridge across the Thames downstream of Tower Bridgea matter of critical importance to industry now that Tower Bridge has been closed to traffic heavier than 5 tons (unladen) since last month. But without the back-up spur roads and orbital links the value of a new

Admittedly there are one or two big schemes still on the boil. News International is being enthusiastically supported by the borough of Tower Hamlets in its plans for a 1m square foot £50m development on its 13-acre site in Dennington Street. It is proposing to build some 776,000 square feet of industrial space on the site, with 168,000 square feet of accom-panying offices.

An even bigger scheme, how-ever, is in some jeopardy. Mr. Peter Shore, the Environment Secretary, has ordered a fresh investigation into the proposals. The proposal to make the area

being good investments because ing to shopping are caught in by the Texan group Trammell there is not an adequate the vicious circle that they are Crow for a £60m international trade mart in the Surrey docks. The concept involves redeve-

loping 133 acres of derelict docks into a complex which unit trade showcase covering 6m sq ft. The problem is that the developer is prepared to put only £5m of his own money into the scheme, so in order to go ahead the scheme would need considerable Government backing- (probably by way of guarantees).

Both the City and industry have reservation about the pro-posals and the Industrial Development Advisory Board has already prepared a report which throws doubt on the commercial viability of the

Apart from these two plans then, London's dockland remains in much the same state as it has done for years. The new Joint Committee Dockland (DJC) has spawned a further streamlined executive committee comprising the leaders of the five London boroughs involved plus the leader of the GLC, and Sir Hugh Wilson, chairman of the DJC.

But fresh ideas are lacking.

disappeared again under the wider concept of aid to inner

areas generally. The concept of creating a Docklands New Town Corpora-

tion, with all the powers of attraction which new towns have, was still-born. Meanwhile the Port of London Authority has already wrung permission from Government to close the Royal Docks and it is

only a matter of time before it

gets its way and closes its Millwall and the Indias. One fresh hope comes in the form of revivals of ramours that the GLC is quietly planning a new east-west lorry route to link dockland with the M40 via the City. And of course the M25 orbital route is pressing ahead in patches.

#### **Routes**

Ironically, those lorry routes could further discourage developers from looking at sites actually in the dockland zone, and encourage them to prospect for potential along the routes

hemselves. Since 1974 the statue books have included the Dock Labour Act, which established a halfmile wide corridor alongside all the country's ports in which cargo handling is presumed to be the privilege of registered

The Act has not in fact come fully into force. Aspects of it have been defeated in the House and show no signs of being re vived. However, one aspect is in train. The National Dock Labour Board has the power to investigate any cargo handling work within these corridors and, within certain parameters, define it as dock work.

The effect of this has been to inhibit lettings of industrial premises within the corridors. As one developer put it: "The Dock Labour Act has made it advantageous to build on one side of the dividing line and

not the other."
What worries tenants is the uncertainty. Because there are no clear-cut definitions as to what work is classified as dock work they fear that if they move into the corridors jobs which may have been freely offered may be defined and controlled by the dock labour authorities.

Within the context of locations decisions, on the other hand, this is a minor factor. If it were the only disadvantage of the docks distribution, com-panies might well risk it in order to be located so close to their markets.

But communications into and out of the docks—even for local distribution-are poor and look like remaining so, and residential facilities and other ser-The cocktail, therefore, is not

to most companies' taste and the reluctance of developers to build in the areas merely

Christine Moir

## Changing shapes

THE PHYSICAL distribution independently of the mast. With manager is still largely a U.S. phenomenon but he, or a senior executive carrying out similar functions, is making his pre-sence felt in a growing number

The increasing interest has received a substantial boost from the economic conditions of the past decade. The recession and the jump in transport costs induced by the oil embargo have focused corporate attention on cost-cutting. The size of the potential cuts available through efficient handling, storage and dispatch of manufactured goods has surprised many company

Computer technologists have been working on the problem of vehicle scheduling since 1963. Recently, by using, mini-com-puters, it has become possible simplify and streamline scheduling procedures and link them with other work such as

A typical package, developed scheme by Scicon and known as Vanplan, has produced some in the middle of last year on interactive equipment could do for a company with many vehicle and depots-in this instance a major 50-depot food distributor—showed that compared with manual scheduling, the Vanpian approach could save the company £250,000 a year in costs of wasted journeys, inaccurate loading, inefficient use of available goods vehicles and so on. The system would cost the particular user around £25,000 a year.

### Transport

But more efficient systems of assembling loading and dispatch are only part of the area available for cost cuts. The local collection and delivery of less than full loads by trucks costs about four times as much as about four times as much as that of long-distance transport in terms of pence per ton mile. loads can be consolidated and the further the trunk vehicles can travel before unloading for local delivery, the cheaper will be the total cost of transport. So the physical distribution manager's function has ex-panded to include consideration of not only his in-house systems for vehicle scheduling and order assembly but also his company's interface with long-hand trans-

There is a further link in the chain; that of materials management. Essentially this is super-vising the procurement of raw materials, stock control, production control and quality control. Here again there are cost cuts available through more efficient materials handling processes. New equipment is making ifferent space utilisation different space utilisation methods possible. For example, a light duty reachtruck of one tonne capacity recently added to

the Atlet range has telescopic

the use of these forks it is now possible to offload pallets from one side only of a vehicle, to reach pallets stored in double tiers of racking from a single side (doubling groundspace available for racking) and, because of its narrow chassis, stacking can take place in a gangway of only two metres.

The equipment and the technology available to the physical distribution manager enable him to minimise storage and distribution costs. But the biggest single parameter governing his job and the one which he is only just getting an element of control over is the shape of the building in which the goods are produced, its location and the distribution infrastructure both internal and externalattached to the building.

It is difficult, if not impossible, for any executive to do much about a building that is already completed and occupied. If it is a pre-World War II construction it is likely to have two or more floor levels, narrow loading bays, limited access and little or no area for trucks to stand, waiting to be loaded. It is unlikely that it can take modern long-han transports and modifications to enable it to do so would be expensive.

in the fifties and sixties buildings started to change their shape. Roads were redesigned to enable them to take greater weights, operations started to spread out horizont ally rather than vertically and loading bays were redesigned to give flexibility in regard to

All this was made possible by improvement in transport particularly facilities, haulage which enabled manu facturers to shift out of relatively cramped vertical city centre sites to larger horizontal fringe areas. The trend was accelerated by a growth in the number and sophistication of property development com-panies which saw potential profits from the design and profits construction o of Government played its part in the industry movement by encouraging decentralisation through the assistance given to new towns.

The developers and town of time to studying industry sign and transport services required. And with a variety of possible new sites becoming available at competing rentals and with increasingly impres sive facilities, manufacturer began closer analysis of their

specific requirements.

The aim of the exercise, fo all the parties involved, has been to find ways of cutting the cost of getting essential services and raw materials on to the site, pushing them together with labour in the most efficlent manner possible to produce an end-product that can

with the least cost in terms of factory also requires a number inventory charges, handling of offices where these new techof offices where these new tech-nicians can be housed. Changes costs and transport fees. in staff amenities have also Trucks have become large so brought changes in building loading bays have been ex-tended. Materials handling design. No modern factory complex would be built without equipment has improved, so the staff canteen or ablution

size and shape of factory hours has changed to accommodate alterations in the production system. Packaging methods and processes have also changed. There is a greater degree of automation in all the functions and a growing tendency to have systems controlled by computer. All this has meant further changes to industrial buildings.

### Equipment

Air-conditioning has become necessary to ensure a regular temperature for sophisticated electronic equipment. More complex fire and burglar detection equipment has become necessary. These devices have meant changes in building de-

through modern factories. The changes have also meant change in staff numbers and job types within the industrial centre. More sophisticated production equipment has meant a drop in the number of unskilled workers and a rise in the number of skilled and semi-skilled. It has meant that the modern

the facade is not a local eye-acre. The growing use of cars as a principal medium of transport has meant that factories have to have parking facilities Not all the aspects of building design, therefore, are the preserve of the physical distri-

There is also the upsurge, particularly in this decade, in awareness of a factory's impact

on its immediate environment

both visually and in terms of its

waste disposal methods. Modern

complexes have areas set aside for landscaped gardens and effort is made to ensure that

bution manager. But as the function of any company is to produce and distribute its proas possible, he does have, or should have, the major voice in site selection and development planning. The environmental aspects and employee parking may help productivity but when it comes to cost cuts physical distribution is the key element.

Terry Ogg

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## INDUSTRIAL PROPERTY VII

This and the remaining pages of the Survey carry a series of articles reviewing market trends throughout the regions of Great Britain-including rent levels, the volume of inquiries and development projects.

South East

# Firmly in favour

TRADITIONALLY, THE South-East is one of the more active areas of the country for industrial development. Last year was no exception with agents kept busy throughout 1978 by steady, if undramatic, demand. Despite the encouragement to 'set up shop" in other parts of the country which desperately need fresh industrial development, the area close to the capi-tal remains the favourite for a lot of businessr the UK and overseas.

The gradual upturn in demand has been reflected in rents, prices and the quality of the property available. At the beginning of 1978 the range of properties on the market was slightly different to those available now. A year ago property portfolios contained a few white-elephants, according to Jones. Lang Wootton, but develope have been buying up freehold sites over the past year and turning many of them into prime property.

Rents understandably have reflected the continued build-up in demand. Developers in the main industrial regions of the South-East are anticipating prices about £3 a square foot but this figure is still some way off Rents have probably increased by at least 12 per cent over the last 12 months while some rent reviews have been over 20 per cent and a steady increase is projected for the future.

#### Review

The Henley Centre for Fore and Company, whose area casting is a little less confident covers Surrey and Sussex, can than some of the areats, however. The centre predicted in its review last October that industrial rents would rise by a bit higher than in the east. For 14.1 per cent in 1979, but exexample, in Hallsham landlords pected this rate to fall to 6.4 are struggling to let brand new per cent in 1980. Over the next industrial property at £1.55 per ve years rents could rise by a

Most of the activity has been among the smaller units during the past year and this trend is likely to continue. Jones Lang Wootton picks out an industrial Orpingion as an indication of come from electronics comthe sort of rents that can be panies keen to get into the area achieved. Smaller units of about However, once these companies 4,000 to 5,000 sq ft with little are faced with problems of office accommodation have been attracting labour. For example, going at £2.50 a sq ft. Larger in Crawley they have to com-ones of 8,000 sq ft and over are pete with the high wages turning over at £2.25 a sq ft. offered at Gazwick Airport. This is the sort of rent that industrialists have to pay for prime sites and cheaper sites obviously can be found—as little as £1 a sq ft in some cases, but certainly not prime property.



Although companies are moving to Sussex, where there has been a considerable increase in demand for factory space, they have to compete for their employees with the high pay offered at Gatwick Airport

Besingstoke at £2 per sq ft and they went very quickly.

Of course the South-East covers a wide area and exper-ience varies vastly within it. For example, agents White Ovar point to strong regional varia-tions even in those two counties. Rents in West Sussex are always a bit higher than in the east. For example, in Hallsham landlords sq ft. But in Horsham gent levels are up to £2.

seen a significant increase in demand, but the one big problam has been in finding manufacturing units under 25,000 sq

Prices have shot up in some areas. At Burgess Hill a factory unit of 11,000 square feet gross has been sold for £270,000 and another of 8,700 square feet fetched £235,000. Both were ask-Bernard Thorpe and Partners ing prices and the vendors themconfirms the buoyant trend in selves evidently were surprised

industrial property. It recently at what the two factories hard line and are unlikely to let nine 5,000 sq ft units in fetched. In both cases a price consider yields much below 7 Basingstoke at £2 per sq ft and of about £40,000 lower might per cent.

Idris Jones also reports plenty of interest but again the complaint is a lack of space, especially at the smaller end. Idris Jones has recently handled five units at the Redhill Distribution Centre near the A25. Most were in the 21,000 to 22,000 square in the 21,000 to 22,000 square feet range though they can be divided into 10,000 square feet or even 5,000 square feet areas. Rental on a split unit is about £2.25 per square foot dropping to £2 for a complete factory. At Pease Pottage, industrial units are being let at about £2.20 per White Ovar says that it has

square foot. The higher rents represent a significant increase but yields re dropped appreciably. In 1978 prime yields fell well below 7 per cent from say 8 per cent at the beginning of the year and in some cases the return was as low as 6 per cent for prime property. This sort of drop reflects the market's expectations that rental rates will rise still further before long.

The Henley Centre in its review reckoned that purchasing yields on all three types of commercial property — shop, office and industrial—would be under pressure for the next couple of years. The magical £3 square foot rental for prime property that people are looking for may seem a substantial jump on the current figure of \$2.50, but when taken in the context of the next rent review the compound growth rate is

far less impressive.

The shortage of sites for the institutions to channel their of the main reasons behind the rise in rents and prices. However, Bernard Thorpe, for example, says that ome institutions are taking a

Some market men believe therefore, that the prospects do not look particularly bright for the maintenance of such yield levels, especially with inflation apparently set for an upswing.

But there is no longer much over-capacity in the property market and in some cases, par-ticularly small industrial sites around the 5,000 sq ft size, there are shortages

Institutional money is still chasing property and that may well keep yields low. Industrial property has particular appeal to small and medium-sized funds, and the smaller units especially are attracting the institution's attention. This fits in a drive to regenerate British

## **Improving**

A year ago confidence in the property market in the South East appeared strong. The past 12 months has justified that optimism and the question now is what is likely to happen during 1979. Rental levels are improving and yields are pointing to a continued increase.

Most of the agents remain optimistic, though any optimism must be tinged with a hint of caution in the current political climate. If the Government puts a squeeze on company profits by price controls and continued high interest rates, this may hit plans for industrial investment. Many companies must be shelv-ing expansion plans while the current problems continue, though whether this will be only temporary remains to be

Rent in Rent in Rent in increase

June 1977 June 1978 Jan. 1979

Terry Garrett

8.8 7.1 7.8

18.9

14.6 16.5

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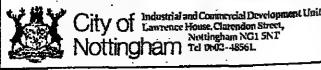
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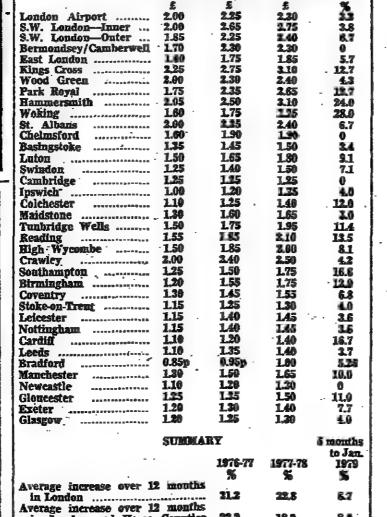


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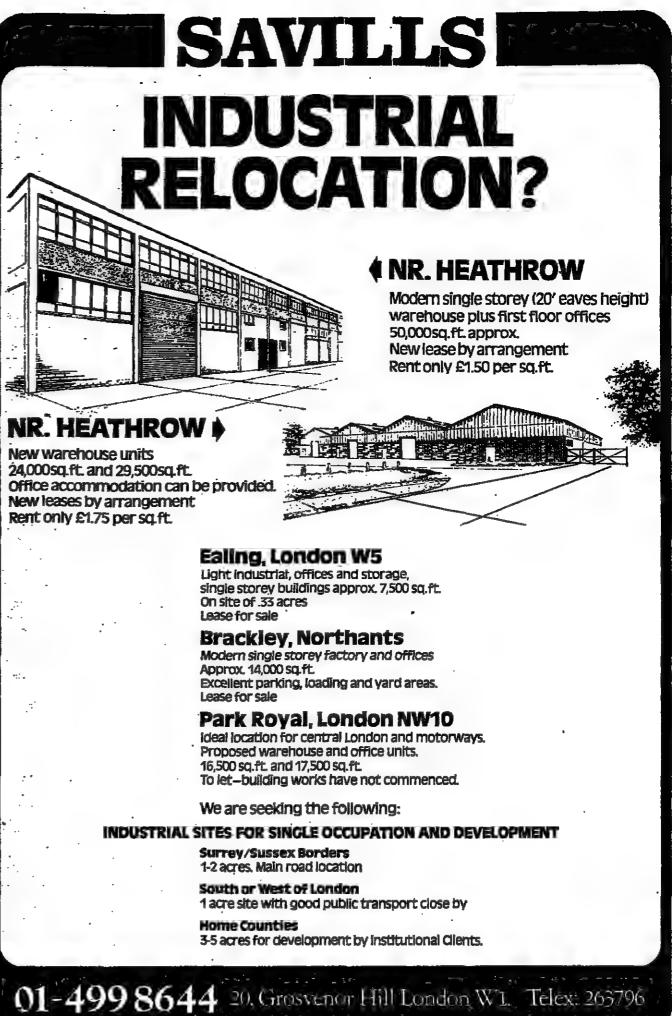
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Average increase overall

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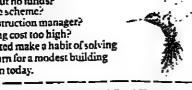
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## London—1

# Trend towards storage

THE PAST few years have seen cent of factory space initially. an interesting switch in property interest in London away from office development and

towards industrial development. Many factors lie behind this Not only have fashions in office development changed but the very name itself has uncomfortable associations with the not-so-distant past.

Industrial development, the other hand, has benefited from the renewal of urban centres: such developments, moreover, are often cheaper to build and easier to let, in that it is not necessary to develop the entire site at the one time.

#### Fears

Whatever the reasons may be, there is no doubt that London's industrial property sector looks fairly healthy just at present. Rents of £2.50 to £3 per sq ft are widely recorded, against only £2 as recently as 1978. Dron and Wright commented last week that there was "not much around now under £2 a

There are the usual fears, which have become stronger in recent years, that industrial development within 50 miles of London leans too heavily towards warehousing and not enough towards factory space. This is undoubtedly true-most developments aim at only 10 per

Norwich Yarmouth

Lowestoft

But it is hard to see what can be done about it. The objections to warehouse concentration are that it creates few jobs in the area, compared to the effect of factory usage.

Yet the London area is becoming more and more a ervice and storage area, serv by the air and sea links, and it difficult to see where new jobs in heavy industry are going to come from, whatever the property developers do or fail

storage that made the Heathrow Airport district one of the busiest for the property The demand warehouse space, with easy access to the airport, seemed insatiable until fairly recentlyand it was in this area that the rental take-offs were

However, the latest reports indicate that the peak has passed by, as far as Heathrow is concerned. Rental growth there has slackened as demand was met by the rapid growth of new building. It is thought that labour costs in the airport district have finally made it less attractive for companies to keep a journey down the motorway brings cheaper workforce.

#### Anxious

Thus, while some of the very newest developments around Heathrow are managing command the £3 per sq bracket demand lower down the scale seems to be softening. to London,

property tends to be older and with labour costs still a major problem, industry seems no longer quite so anxious to take up storage space. The most favoured areas are the in-hetween areas-Sunbury, and Kingston, for example. Here, the best premises still command top prices.

Observers think this situation is unlikely to change while London continues to attract its daily quota of office workers, each of whom boosts the market for restaurants, pubs, cafes and the like, all of which need daily or weekly servicing from warehouses within comfortable

industrial development. But

not get provided the driving force which might have These general trends have

development in these areas has

been formalised in the latest Government plans for the south-east of England. The plan east of England. lays stress development.

And, almost as if the Govern ment had read the minds of the industrial property developers, the focal point is seen as the M25, providing a link from Heathrow to the MI and to Gatwick airport.

Moreover, the need to halt the exodus of industry and population from the centre of London is recognised. Transport policies are to be attuned to

There is some redevelopment of older industrial properties, particularly in the east and south of London, In Greenwich and Woolwich, rents have moved up over the past year from £1.75 to £2 per sq ft. Much of this is for renovated property which is finding takers without much difficulty. The local authority has been active in Greenwich, but mostly in the form of leasing property industrial users.

Some concern was expre that yields, now standing around the 61 per cent mark, are below traditional levels. While both the stock market and the property industry itself continues to take an optimistic view of yields, there is a possibility that property could soon be hard to let on these yields.

It is still the East End where traditional industries — largely those involved in the clothing sector-have managed to defy all predictions and cling ou.

These industries are usually formed into small units. depending on small pockets of local labour, and have proved a steady source of demand, often for the older multi-storey fac-tory buildings no longer favoured by heavy industry. But, unfortunately, the demands of this type of industry on the industrial property developer

in the industrial belt to the north-west of the city. Rents of £3 a sq ft seem well in prospect

Another slightly older area to directly counter to all Governbe finding supporters just now is the Park Royal estate. Rents here drag behind the best areas elsewhere, but there are a number of new developments in hand. One problem is that the area's infrastructure has not kept pace with the times—the road system, in particular, leaves

a good deal to be desired. In the East End properexcluding the dockland schemes the most interesting prospect for the future is the Jubilee Underground rail line, and the plans to build more roads. The Jubilee Line is at the advanced planning stage but has yet to make its impact on the ready property market,

Looking further afield, Sinclair, Goldsmith reports good progress with its developments at Heathrow, Reading and Swanley. It confirms the view that Heathrow is beginning to slip back from its lead by, reporting that some units in the area have been let at £2.

#### Attractive

The entry points for the M1 motorway around the Edgeware region are proving attractive for warehouse property, with industry paying up to £2.75 for the new units.

Several sources commented that the importance of the motorway network to industrial property values had yet to be fully appreciated even within the industry. This trend is likely to strengthen as industry in the south continues to look for storage space rather than factory buildings. But it was widely remarked that London is better placed than some other areas of the country in that transport is often in the hands of the companies owning the warshouses, so that supplies are iess vulnerable to strike action.

One interesting subject is the prospects for a Channel Tuimel or Bridge—an evergreen topic of speculation, both in the City and elsewhere. Such a develop-ment would greatly emphasise the trends already present in London industrial property.

London, as the warehouse centre not only for its own connurbation but perhaps for a large part of Europe, would reach.

In the centre of the City, it best sites. However, this level Factory building might come to is dockland which theoretically offers the best opportunities for ing somewhat suspect in the of warehouses. It would also, current inflationary situation. of course, create a situation

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Terry Byland

Confidence in the London

property sector remains high

and is likely to continue so

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to the UK industrial perfor-

mance, as are some other areas.

financial and tourist centre now

almost guarantees a growing

demand for service industries

which are cushioned to a great extent against the buffets of industrial adversity that are so much more quickly felt further

The only reason for disquiet

at present is that yields are

disappointingly low in many spots and the leading in mitutions no longer find it easy to

dispose of their funds. For the

country as a whole, this may be good. But it casts a slight

cloud over the London market

for industrial property-

London's pre-eminence as a

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## London—2

## Reversed policy

market in London, as elsewhere in the country, has been healthy over the past year, with encouraging rises in rents and land prices for the best property, and a consequent drop in yields.

However, it would be a mis-take to look at the market as it consists of a variety of local markets, and within these a variety of building types whose value changes depending on age, design, and so on. There is probably a greater combination of very old and very modern industrial units than in most other parts of the country, for both historical and planning

One of the foremost post-war industrial property developers, Ronald Lyon, recently de-scribed the factors which hampered modern development in London during the 1950s and 1960s, particularly the planners' attitudes towards old industrial property.

### Expanding

It was difficult frequently to obtain an industrial develop-ment certificate for a single storey development if it meant knocking down an old multistorey building even though an industrial use already existed

This was all part of the getthe industry out of towns policy pursued to nobody's advantage, except those companies which were expanding and needed the more open communications links being provided by the new

Certainly for small firms, the policy was one of disaster, and fortunately the trend largely has been reversed, although there is some residual opposition to developments which undoubtedly provide the amployment potential badly needed by the capital.
In fact, many London

boroughs are now actively encouraging, through their own development or through support of private developers, schemes which provide small units for small businesses and

INDUSTRIAL property has been active in this respect, it in London, as elsewhere as has Wandsworth—and both

Developers themselves are finding encouragement from organisations such as the Greater London Council's London Industrial Centre, which is taking active steps to pro-mote and develop the Dock-lands along with boroughs like Newham, which is promoting development at Beckton.

There is still controversy over the massive complex pro-posed by the American Tram-mell Crow group for the Surrey Docks; with luck it should be resolved this year.

Whether it is or not, the main problem for Docklands, as with the other parts of east Lendon which certainly need industrial and warehouse development, is poor communications. This situation is unlikely to be resolved for several years unless central government decides to put a massive investment into road and rail links and to speed up the proposed development

By contrast, areas of heavy activity on the property front are west and north west London. Demand is strong for units up to 20,000 sq ft north of the Thames in the suburban boroughs. To the west, Park Royal is becoming popular, with rents beginning to near the £3 per sq ft mark. New schemes are replacing the pre-war areas. buildings which are obsolescent now, mainly because of eave heights, and the industrial estate type of development is taking over from the buildings which once housed big name

Development, as elsewhere, has moved along communications links, and it is no surprise that Heathrow continues to attract interest, with several schemes started over the last 12 months. Success here is not guaranteed, though as some developers have found to their cost, and an oversupply of larger units has depressed rents on some estates. Depending on size and location, units now bridging the gap. fetch up to nearly £3 per square

lower, with north west London showing strongly, prime units fetching up to £2.75 per square foot. And high prices are being paid for sites in this area, with prices going up to £200,000 per acre (just outside London they are even higher).

Some agents report increased

demand from industrial rather than warehouse users during 1978, which is an encouraging sign. Allsop and Co., for example, notes a brisk market towards the end of last year, and forecasts a continuation of the trend this year. Pockets over-supply, for example round Heathrow, should be taken up, and Allsop expects rents to move into line with the general levels of those in Gricklewood and Croydon areas.

### **Potential**

Allsop also floats the idea of a distinctly two-tier market emerging, with high reuts for new space in prime locations, and disproportionately low rents for older property in secondary locations. But in the long term, there are still many problems which need attention before London can fulfil its potential as a truly modern industrial capital. For one thing, surveys have suggested that occupation of much old industrial property is alarmingly low - perhaps as low as 20 per cent in some

Quite apart from the communication problems of Docklands and the east London boroughs, we still have no road in London equivalent to, say, the Route Peripherique round Paris, unless you imagine the North Circular and South Circulars roads provide any comparison. The outer ring road is slowly making progress, but it will be some years before it is complete.

Given this, there is still some reluctance to finance development in anywhere but the best areas, especially speculative schemes. Hence the importance of the local authority role in

Paul Finch

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## INDUSTRIAL PROPERTY IX

North East

# Public sector leads

[HE PUBLIC sector dominates or the Midlands despite ndustrial property development important port activities in result, there appears to be August, while the amount of from 75p to £1.10 per square n the North East, leaving Sunderland, Teesside and New strong interest in some estates new building under construct foot. The availability of such private developers to cater for the growing, but still limited, for warehousing. According to a leading local igent, less than 10 per cent of the new industrial space available has been built by private developers, the rest being built by public authorities, predominantly the English Industrial Estates Corporation and local authorities, Considering the Development Area incentives given to industry such as rent-free periods and the lower cents charged by the private sector, it is not surprising that private developers find it hard to compete.

However, the situation is very different in the case of ware-housing. With most advance units in the public sector being sarmarked for manufacturers, inmpanies seeking warehousing turn to private developers. Recent indications suggest an upturn in demand, especially for small units, and it is possible that some shortages will develop; for building by private developers is still at a low level because rents of £1 to £1.50 per sq ft are hardly an incentive to start new schemes. Further-more, potential demand is far more limited than in the South

Service

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castle. Most port trade is in heavy goods, raw materials, and oil which require purpose built quayside facilities rather than standard-unit distribution depots.

Recent road improvements have brought Teesside within day-trip distance of the southern outskirts of Edinburgh and local agents hope this will boost the area's attraction as a distribution centre. The main activity in warehousing occurs close to the A19 and the British Rail Freightliner depot and a num-ber of development schemes are under way. But demand is still confined largely to smaller units, for which rents of up to £1.30 per sq ft are achieved and for which local agents Storey Sons and Parker suggest that demand is currently running ahead of supply. But larger units are still hard to let even at rents of £1 per sq ft.

The past few months have seen an upturn in demand for warehousing in Newcastle, especially on the south side of the Tyne. According to Bernard Thorpe and Partners, there is a tendency for companies in-volved in warehousing and distribution to choose to be south of the river and

The majority of modern warehouse space available is north of the Tyne but even here it is diminishing. A couple of large units of 20,000 to 30,000 square feet plus several smaller ones are all that remain available on the Tyne
Tunnel Trading Estate which is
situated just half a mile from
the Tyne Tunnel entrance.
Rents achieved range from just over £1 per square foot for larger units to £1.30 for smaller ones. The market for small units has improved rapidly in the Newcastle area, especially for industrial space and Bernard Thorpe and Partners say they have agreed a rent of £1.50 per square foot for a small site close to the city centre while asking rents of £1.25 per square foot are being quoted in several instances.

#### Closure

Overall, the amount of ware-housing available in the North-East shows a continued fali while the amount of new industrial and warehouse building units totalling 580,000 square has increased. In its latest feet are planned. Survey, King and Co. shows that in December 1978 about corporation's tenants are based 1,227,000 square feet of ware on "market levels" but they housing was available compared are far lower than anything in

in the Durham area. At Bow-burn, on the A177 by the junc-tion with the A1(M) a new estate completed last autumn is. But the amount of factory space more than three-quarters let available rose from 4,812,000 and a further 30,000 sq ft is to square feet to 4,947,000 square

The reason for this increase

is not the slackening of demand

for new buildings but the closure of major factory complexes resulting in more second-hand space coming on the market. Much of the new factory building in the North East is undertaken by the Gov-ernment's English Industrial ernment's English Industrial Estates Corporation and its figures for 1978 show a clear improvement on 1977. The amount of space built by the corporation was about the same as in 1977—about 700,000 square feet. But lettings totaling 990,000 square feet were achieved with 99 new companies taking space, a much panies taking space, a much higher figure than in 1977. The corporation also approved expansion plans for 25 of its existing tenants, covering 525,000 square feet. With lettings running ahead of new building, the backlog of empty space built up since the 1974 slump is slowly being cleared and a further 88 units totalling 482,000 square units totalling 482,000 square feet are under construction by the corporation. Another 128

accessible to the A1(M). As a with 1,367,000 square feet in the private sector and range space is clearly a disincentive to the private developer but a few contractors are partnering local authorities to provide small nursery units. One such scheme is at Hawick Crescent, Newcastle, where Indescon has leased a site from the city council and hopes to obtain rents of £1.25 a square foot. In the Middlesbrough area, small units up to 2,500 square feet have fetched £1.40 a square

> The new towns of the North East, Aycliffe, Peterles, Washington and Cramlington, have had varying degrees of success in 1978. A notable coup for Cramlington was the decision by Boots to build on a 90-acre

> However, the North East still has to push new developments to make up for the loss of tradi-tional industries. The decline of steelmaking in Hartlepool has led the British Steel Corporation to promote its existing sites as new trading estates, with the aid of the English Industrial Estates Corporation. Because vast sites such as these are becoming available, land prices remain low and there is no risk of the supply of sites running out. It is hard to see private developers making much head-way in view of the amount of building by public authorities, but there are opportunities in the field of warehousing and the provision of small factory units.

Michael Goodman

## North West

## Successful hard sell

authorities for the favours of to dispel some of the myths and But not only are they competing among themselves but also with other regions and towns. These few years.
days an industrialist will find The imp hat areas such as Mersayside 18 months has been particularly will not only extol the location and communications but also the environmental virtues.

During 1978 the North West aw a remarkable increase in the level of inquiries from existng companies in the area which were at last looking towards expansion, and the long-awaited nquiries from industrialists outside the North West began to come. Probably the most suc-cessful district was Warrington New Town where nearly half a million square feet of factory and office floor space was built in the year to March 31, 1978.

Last month Warrington announced that during the financial year starting April 1979, it plans to build more than Im sq ft of offices, factories and warehouses. The programme should provide more than 1,500 jobs and involves the construction of 184 factories and offices ranging in size from 500 to 110,000 sq ft and using 68 acres of land.

Warrington New Town has developed a total of 2.36m sq ft of factory and office space, attracting nearly 100 companies, 28 of them from Europe and
North America.
Merseyside is a Special
Development Area and as a

result considerable incentives are available to manufacturers and certain service industries which come into the area. This combined with the now effective campaign to attract industry, is breeding more confidence among developers and a number of new estates are in the planning stages or already under way.

Demand is high for the numerous advance factories now being built throughout Merseyside. Rents have increased considerably during the past year and lettings equivalent to £1.25 a sq ft are not uncommon. The bulk of the demand tends to be There is also an encouraging demand for existing factories and warehouses which come on industry's present-day require-ments. It is still very difficult The estate is to be built on to find tenants or buyers for just under an acre at Ancoats. older multi-storey properties. Because of the area's high level of unemployment institutional investment in completed

and let property in the past has been minimal; the fear of longlasting voids in investment portfolios made investment unattractive. But over the past and rents will start at £37 a year several of the major funds. week. The estate will have the year several of the major funds, including some of the larger facilities found on most modern pension funds. have made a estates including space for turnpositive contribution to Mersey-

below 7 per cent. economic problems which are factories and warehouses; and part of the Merseyside scene there are signs that developers

THERE CAN be few regions are being gradually overcome, are no longer waiting for prewhere competition among local and there has been a need first lettings before embarking on any industrialists seeking new misconceptions held by those factories and warehouses is who do not know the area or its fiercer than the North West, people. How successful Mersey-

> marked in the country's largest and longest-established industrial estate, Trafford Park, Manchester, Continuing motorway developments in the North West have helped to re-establish the popularity of the estate, and this has been reflected in a whole series of "estate within the estate" developments to meet demand. Despite the high level of current building and of schemes soon to be started, demand has continued to outstrip supply and there is at present a shortage of modern building available for imme

diate occupation.

But even with this steady demand, rents—to take an example—for a factory with 68,772 square feet of clear span floor area and 4,000 square feet of integral offices, are still below £1 a square foot. The agents involved with this particular factory, Edward Rushton Son and Kenyon, tell me that the rent also includes 2.5 acres of and for open storage or further

building.
It is often said that the level of inquiries for industrial space is a reliable measure of the country's economic wellbeing and some property experts believe that an even better barometer of future demand is how well very small units let Few developers can be bothered to build factories or workshops with less than 1,000 square feet of floor area: such schemes usually have a greater manage-ment problem because of the high turnover of tenants.

### Enthusiastic

Nevertheless, there is tremen dous demand for small industrial premises and to cater for it in the Manchester area Ward Developments is to carry out a "mini" factory scheme called the Crown Industrial Estate, which will provide an opporfor factories with floor areas tunity to lease space of less than between 5,000 and 10,000 sq ft. 1,000 square feet. The joint letting agents for the project, Elliott Fifield and W. H. Robinson, are enthusiastic about to the market, providing they interest in the scheme which is are in good condition and meet still only at the detailed plan-

A detailed planning application has been submitted to Manchester's planners asking for permission to build a total of 15,000 square feet in 11 individual factories with floor areas ranging from 950 to 3,000 square feet. Leases will be for 21 years ing large articulated lorries and side by investing in new parking for more than 40 cars.
projects, and yields on some Although rentals for indusindustrial schemes have been trial property in the North West elow 7 per cent. region are generally below Those responsible for attract—what is regarded as the level to ing industry and commerce to make fresh developments viable, Merseyside are doing a splendid in some areas of high or Merseyside are doing a splendid in some areas of high or job in the most difficult condi-specialist demand it is again The acute social and possible to build speculative

new projects.

misconceptions held by those who do not know the area or its people. How successful Merseyside has been in doing this will become evident only in the next few press. Industrial, Estates, part of the Burnett and Hallamshire group is to develop 250,000 sq ft of few press. factories and warehouses in The improvement of the last 75,000 sq ft. in units of 5,000 sq ft upwards is expected to be ready for occupation next sum-

mer through the letting agents

Richard Ellis. Rory Ferguson

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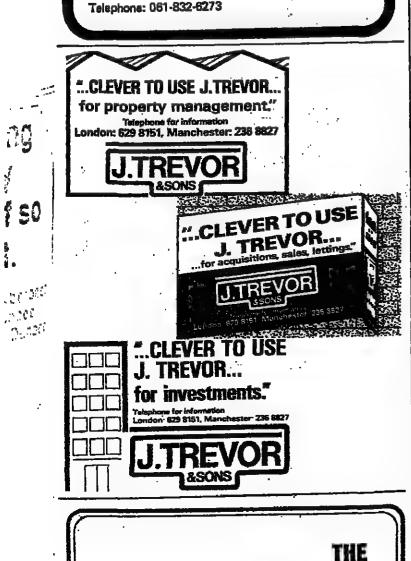
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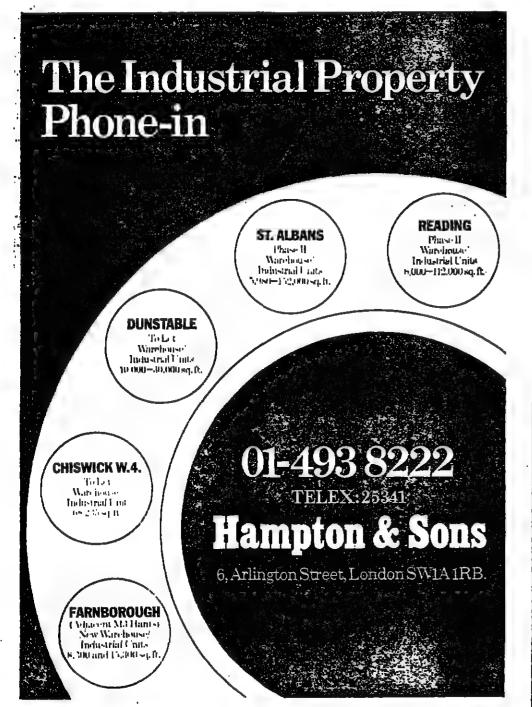
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& Co

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## agents and developers in the West Midlands have been sounding increasingly confident since the middle of last year. At the latest round up of opinions, this confidence remained sturdy, and was well supported by right market

supported by rising rental mixed development at revalues, a good offtake of pro- £1.20 to £2 a square foot. The latest survey of perties and sites, and by a steady pace of new develop-But the region shows no inconfirm

dication yet of escaping its background of heavy involvement with Britain's much-battered motor industry, and the heavy and light engineering sectors so closely linked to the fortunes of BL (formerly British Leyland). The strike of Britain's lorry drivers, with its consequent threat to industrial production, brought an immediate check to confidence in the industrial property sector. Agents were quick to sense that industry would hold back on its development plans until the outlook cleared. Such is the sensitivity of the area's pro-

The relatively calmer atmos-

phere at BL, which is progressing with its new Rover and Mini production factories, has undoubtedly helped morale in the past year. Throughout the region, agents were reporting a comfortable offtake of the traditional warehousing/industrial mixed development at rents of

industrial property sector is due within a few days from King and Co, which expects its latest statistics to the improved trend.

As in other parts of the country, it is new property which is commanding the higher prices and finding takers. The higher prices are easily explained; most of the new property is replacing older buildings and must be built on land which has increased in value. And, of course, interest rates have been pushing prices higher since early December.

The West Midlands, perhaps more than the South of Eng-land, able to find takers for factory space, as distinct from warehousing. This reflects the influence of BL, whose steadier

in manufacturing components.

Confidence increasing

But warehousing space is also significant. The best sites for it tend to be close to the motorways, where there is ready access by road to most parts of the country. Prime sites, such as the best spots at Spaghetti Junction, the Birmingham motorway interchange, are now fetching £1.75 to £1.85 per square foot quite readily, with £2 a square foot paid for the

newest sites.

A combination of this demand for industrial and warehousing buildings has worked wonders for the area, which suffered so badly in the post-1973 collapse. Developments of the past three years have fared particularly well and only a few of the smaller developments from the worst days are still left untouched.

Particularly encouraging is the view expressed by King and Co that there is 12 months' supply of new development now in the pipeline. This would normally be a comfortable backlog for a thriving industrial

factories.

Many

property

industrialists

dilemma faced by the region, It has an excellent infrastruc-

ture of small to medium-sized

industry-shoes, drugs and so

on. All these would support a much larger industrial property

complex than they do at present

-if only they could all expand

just a little. As it is, the region

tends to be overshadowed by the heavy motor and engineer-

ing factories on the other side

valiantly by both industry and

local government in the East

Midlands. Indeed, the deter-

Local authorities in Leicester

This tendency is resisted

the region.

agents express the

lands that the lorry drivers' South West, brought hints that

The transport strike also pinpointed another significant factor on the industrial property

possibility that some relatively depressed property areas, such as Bromsgrove, could be in for an injection of industrial vitality when the latest motorway plans are completed.

In addition to its heavy industry complexes, the region has always been dominated by

good feature and a major site owned previously by the Ministry of Defence appears to be finding takers without too much trouble. not to want to hold in their own

centre — at one time, one of the blacker spots — is now considerably brighter. The city council has taken to heart the threat to the old industrial inner city and with the support of Government policies on urban revitalisation, hopes to maintain the expansion trend and attract new employers.

siderable confidence in prospects for Birmingham's inner city; it has been noted that many small businessmen are now finding that small, concentrated groups of workers are not usually willing to move out of the home mination of the city councils outstrips that of others in more area, not even when a works bus is laid on. It is these small husinesses which are now fightfavoured parts of the country. ing hard to take up premises in and Nottingham are typical of the region in their efforts to promote industrial use of the inner city found so undesirable in the 1960s.

property sites, as well as rejuvenation of the housing base. Recovery in the East Midlands seems sound and well- erected ten or 15 years ago but based. But, as with so much of now rejected by heavy industry the industrial centre of England, all depends on a continuation of the general recovery in industry. By later in the year, it should be possible to establish the depth of recovery in industrial property.

Terry Byland

the list of new developments might pose a threat to confidence rather than boost it.

market Industrial development in the Midlands has become increasingly centred around the new or planned motorways. As already noted the best sites are close to the motorways.

In fact there seems a strong

its major cities, which by and large have incorporated all the problems of inner decay and industrial blight common to the rest of the country. But the picture here seems to be sailsfactory. In Coventry, agents say they are "very active," mostly with new development. Two new industrial estates, close to motorway junctions, are believed to be fully pre-let. The Binley Industrial Estate is a

In Birmingham, the city

Developers are showing con-

An interesting feature has been the return by small business to the multi-storey buildings because of the problems and between floors. Light industry, such as the manufacture of seat covers for BL cers, has found such building not only highly look suddenly appears less suitable for the work but also certain. readily available for occupation.
Agents say that demand for

fortunes are an inspiration to area. But such is the nervous-many feeder companies engaged ness still abroad in the Mid-property is sleadying down ness still abroad in the Mid-property is sleadying down that the lorry drivers' rather than sowing further strike, which hit industry expansion, but they see rents strike, which lift industry captures as supply also thins harder than the City and the still rising as supply also thins harder than the city and the still rising as supply also thins harder than the court in the industrial fortune has not been missed by the major institutional investors, who have long been looking at their cash balances with dismay.

With the stock market a less exciting place, both for government bonds and equity stocks the arguments for returning to good-class property investment have strengthened, and the attractions of the west Midlands have been noticed. Yields are now proving sufficiently reward. ing to tempt these big investors. Always notable among them has Arrays notate that the hear the Scottish Equitable Life Assurance group, which has joined with local authorities in the area to provide finance for developments offering industrial sites to local industry.

Institutional investors have provided much of the underpinning for the new develop-ment now in hand. Until relatively recently, the institutions were more willing to take on industrial developments in an area clearly on the recovery road than to involve themselves in office buildings, which had proved such a snare in the past. They judged, probably correctly, that it would take longer to find takers for them since business usually needs factory space before it needs office space.

This has proved a successful investment policy so far. Office blocks have remained etched in the mind of industry as the disaster area of the early 1970s, to be left alone until industrial production has established its recovery.

Most sources in the crea agree that there is a danger of over-confidence. The general uncertainties about the national economy over the coming year should be enough to damp down any speculative enthusiasm. The West Midlands has shown before that its high level of dependence on the motor industry makes it very difficult for region to avoid being the first to reflect any sign of flagging in the national spirit.

Some agents suggest that it is warehouse construction which now leads the field in the west Midlands, and that new construction of factory buildings has been levelling off as needs ara met. If this proves so, and there are no very recent figures. to support the view, then any check in industrial expansion could push the industrial property market back into gloom again,

The response in the property market and in industry generally to the transport strike indicates that confidence in the West Midlands is still fragile and that new construction could be blocked quickly if the out-

Terry Byland

## East Midlands More factories

shared in the general improvement seen in the Midlands, although indications are that its recovery has lagged behind the Birmingham and Coventry areas which have been helped by the upturn in the motor industry.

Over the past six months, the

region has recorded the same trends seen elsewhere: an increase in buildings under construction and a decrease in some types of industrial property available for letting. But the changes in the various totals have been more marginal. Six months ago, the region still a substantial number of factories vacant and the upturn in new building was very small. The latest statistics are still being prepared but they appear to suggest that more factories are now being built, but fewer

This could be a favourable factor, for the East Midlands generally has found it harder to attract the solid factory deve-lopment which is the bedrock of any industrial area.

Nottingham would have good case for considering itself of industrial property develop-

The city is fortunate in having a strong and widely-diversified industrial base, with Boots and John Player among the household names. The council has set up, through its Industrial and Commercial Development Unit, a property register which provides comprehensive information on all commercial property available in the city. Additionally, the council actively pro-motes properties and tries in many ways to attract industry

to the city.

This kind of high-powered local authority backing for industrial property business—or indeed for any other kind of indeed for any other kind of for industrial purposes now unproperty business—is not as likely to reappear. Office common as it might be, and it accommodation has thrived but has played its part in keeping it has proved too early so far Nottingham in the vanguard of for the city to create a new inthe East Midlands property scene.

Leicester also has established itself as one of the more active and attractive centres for the industrial property developer. Rents are appreciably below the levels charged elsewhere, which is only to be expected in a town whose cost of living is among the lowest in the country.

The city has the advantage of a local tradition of small

properties on the inner city move. And like so many other cities it has turned its back for the time being on its empty office blocks—which are by no means as numerous as once they

With Its excellent communications, Leicester has proved a big attraction for industrialists seeking warehousing space. It claims to be as near to the centre of England as makes no difference, is at the centre of the motorway network, and has excellent airport links with Europe. These factors provide a powerful attraction for industrialists and have buttressed demand for modern warehouse

#### Stimulate

However, the city council has responded to the view that warehouse operations alone are a poor recipe for full employment and acted to stimulate factory production.
On the north side of the city,

the council has opened development of both the Beaumont Leys the commercial strongpoint of site and the Gorse Hill Industhe East Midlands, and it is not surprising that the city council sites for light industry, with has put itself in the forefront the first becoming available in the middle of this year and the rest in 1980.

Private developers are at work on a 100-acre site in the centre of the town. It is generally acknowledged, however, that Leicester could benefit from more land for factory development—a claim that cannot be made by many towns in the East Midlands. Derby faces special problems.

After a rich and proud history as a heavy industry city. Derby is now seeking to diversity into a more general business centre. This has left the industrial property developer with a difficult problem. Most of the property is old and was built

Outside these important towns and cities recovery is patchy, with motorway access often providing the main stimulus. One agent went so far as to say that access and availability were more important than price when it care to find ing customers. Properties in the

properties, but here arein this has been confined mostly to the towns. Coventry, for example, has seen much refurbishment. The region suffers from the

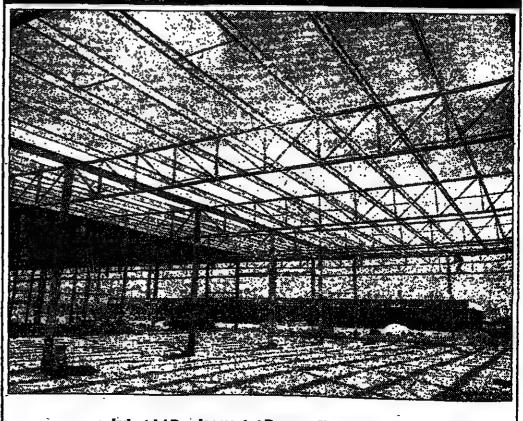
general lack of demand for the servicing industries now so significant in other industrial areas. These ancillary industries have often provided the cushion which maintains business activity even when heavy industry meets a slack period. The constant need to store foodstuffs, household goods and leisure aids for the factory

workers has kept a host of warehousing activities in motion in the West Midlands. But the east of the region, with industry generally smaller and restricted to fewer towns, lacks the population concentration to maintain strong service depots. The motorway network in many ways so valuable to the

East Midlands as a source of trade, tends to act against its hest interests in this respect, Warehousing space is readily available closer to the Birmingnam/Wolverbampton area, and it is easier to service the East Midigads by rand from there.
This of course property demand for warehouse server in

the East Midlands and on the wheel continues to the The disadvantages of such a situation were brought home drastically with the lorry drivers' national strike. This hit particularly hard in the East Midlands. which depends heavily on road

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South West

# Conflict with the planners

THE SOUTH WEST has network is still desperately thin indications now that the imbal- ment in some areas, however. ance is beginning to be

Because of the residential nature of the area it has attracted employers of office staff because labour can be attracted at lower rates than in the capital and there is more chance, so the argument runs, of retaining key personnel if de-centralisation is aimed southwards rather than northwards.

The industrialist, on the other hand, has had little incentive to head to the South West. There are few areas of the region that can boast sufficient numbers of skilled industrial workers available for employ-

attracted its fair share of office in some parts. The increasing development over the years but opportunities supplied by the on the indsutrial side it has gradual improvement in the traditionally been a poor relamotorway system has helped tion—though there are some speed up industrial develop-

> One of the problems of the South West is the conflict of ideals of the various parties involved in new development. The desire of the local planners is to attract industry to help reduce the region's high unem-ployment levels. They need to draw in small businesses, but private developers — who are keen to build sites which will attract institutional finance — are often reluctant to get involved in very small units.

> Besides that, much of the demand for property is for warehousing rather than manufacturing. Developers are there-fore pushing to build ware-

facturing units which would ease the local unemployment problem. Again there is a conflict between planners and

Finally, there are the conser-vationists and those whose interests are geared towards the tourist industry. There can be a strong lobby on local councils against industrial develop-

Yet despite all these obstacles the industrial property market in the South West has picked The latest King and Company survey shows that demand has increased sufficiently to drop the amount of vacant warehouse space by 16 per cent to 1,338,000 sq ft, while factory space has fallen by a similar amount to 1,256,000 sq ft. Building under construction, on

housing along the motorway the other hand, has gone up links rather than the manu- from 258,000 sq ft to 392,000

Bristol, which is the most important feature of the South West from an industrial angle, has seen an impressive rise in rents over the past year, according to a recent article in the Estate Times by a member of Harinell Taylor Cook. Rents which were pitched around £1.30 per square foot at the beginning of 1978 have climbed to around £1.75 and with a shortage of development land available market men are talking of £2 per square foot before not too

Ayonmouth, meautime, has also seen an impressive increase in rental levels. New buildings could be found for £1 per square foot 12 months back, but now rents are up to £1.50 for smaller

been focused almost exclusively

clean lines of communication

and supporting facilities.

Exeter, with its motorway average and in some places such links, is also popular. There as St. Ives it is frighteningly are two large estates which high. All the county is an have proved fashionable - assisted area but despite this the Sowton and Marsh Barton, region really is too far down Lalonde Brothers Parham in the road to attract industrialists Exeter say that they have let to any great extent.

38,000 sq ft in Sowton in the The Plymouth region in conpast six months with the smaller trast is popular with industrial-3,000 to 4,000 sq ft units attractists. Grants are available and

per square foot mark against £1.50 a year ago while larger sites — 20,000 sq ft — will be let at £1.50 against £1.10 at the beginning of 1978.
Lalonde Brothers also recognise the local conflict of ware-

housing versus manufacturing housing space looks likely to capacity but claim that they are continue. gradually winning planners over to the fact that a distribution centre can sometimes provide more employment than a small highly automated factory. So mixed development is now proving less of a problem. Gloucester has a reasonable

supply of land, and industrial property there commands rents of around £1.35 per sq ft. Ashville Properties of Wimbledon, which is developing a £2.5m site close to the M5, has already built and let 150,000 sq ft of warehousing and industrial space and is now entering the third and final phase—already

90 per cent pre-let. The site has created 350 jobs so far through incoming employers such as Allied Breweries, United Biscuits, RTZ, Meanwhile, how is all this affecting the day-to-day workings Serck, the DoE and Macarthys of the existing new towns? For the past two years attention has Pharmaceuticals.

Lobby

on the political about-turn which has left the new towns out of the mainstream of Cheltenham, although close to Government development poli-Gloucester, displays a different picture. There is little space available at present and rents cies. This has tended to leave people with the feeling that the In fact nothing could be further from the truth. During the past year, all but a handful of the new towns—there are the considerable and the demand is likely to be considerable and the considerable

extra-ordinary problems of locais North Devon. Communica-tions are still thin and land for tion or population—have made major strides in attracting new development is not easy to come Here the conservationist Company directors plan their lobby is strong, and the county expansion and relocation procouncil controls much of the land that might be used for grammes with both eyes firmly on profit. And that depends on development. Local agents John the availability of staff, accessi-bility to markets and supplies, C. Webber say that they get a considerable number of enquiries for small units because of the development grants that

By now many of the New are available, but rent levels Towns have grown up to the still reflect the lack of significant point where they can offer most interest by industrialists. Despite the Duchy's bias towards the tourist trade Comwall's planners are keen to attract new employers and

ing strong demand. According rents for new buildings are in to the local agent, rents for the region of £1.35 to £1.40 per small units are around the £1.75 sq ft.

Overall the confidence felt at the beginning of 1978 has proved well-founded in the South West and with the continued development of road networks a steady improvement in demand for industrial and ware-

**Terry Garrett** 



## New Towns

# Unrivalled expertise

THE NEW TOWNS concept is expanding towns, at a time now politically dead. Over two when central government, in years ago the government first any case, was switching its intimated that it was turning attack from dispersal to reits face against further expansion of new towns; now it is

cept of expanded towns was decentralised areas.
formally abandoned by Mr. Most of the new towns have
Peter Shore, Secretary of State had their population targets
for the Environment. The govreduced (though to be fair this ernment's argument is that over has been in part because of the decades the new and expanding towns have not played growth. The South-East's population a significant role in the emigration, for instance, is expected to panding towns have not played a significant role in the emigration of people from the old

The facts show, according to studies, that although jobs and people did leave London and the other cities, most did not go direct to the new towns or the expanded towns. Many people, it seems, went to areas where there was no planned diswhere there was no planned as the fifth Scottish new town—the second—Central Lancashire new town—the second—the second—t persal programme and the jobs

reluctant to provide the money of the most successful developfor housing in the designated ment teams in the country

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In combination these factors clear that the government's attitude is permanent.

Only recently the related condecentralised areas.

remain static at about 17m for

the next two decades).

in the new town concept. Stonewere simply lost house, on paper, looked most
This evidence made the local likely to succeed. It was to authorities in the old cities have been administered by one

of East Kilbride.

decaying east end.

The key factor in Stonehouse's

demise was the growing feeling that funds should flow directly

into Glasgow itself where even the success of East Kilbride had

not eased the problems of the

Central Lancashire New Town

faces almost the opposite prob-lem. The setbacks and difficul-

ties encountered by the existing new towns which encircle Liver-

pool have created a considerable degree of disillusionment in the

North West over new towns.

And in addition, of course, the

idea has taken root that money

tailed development programmes ithout much encouragement from central Government and with growing discouragement from the local authorities they

ficiaries of this planning volte face may not be cities at all. The Department of the Environment is at present considering

setting up a special rural development partnership scheme similar to the inner city partner-

originally existed to help. On the other hand no major alternative regional policy has been introduced in place of the new towns concept. The notion of inner city rejuvenation is widely supported but the machinery to carry it out has not been forged and the funds allocated to it so far are risible. Ironically, the only bene-

ships.
These apparently would offer special incentives to small indus-tries wishing to set up in rural areas where they are regarded as fitting in with the scale of the area. Because the overall programme would have to be small in scale it has a fair chance of success, where the partnership schemes in the inner cities can

should be spent within Liver-pool and Manchester and not industry. outside the cities. Vacuum The effect of all these changes has been to create a sort of vacuum in which no further new towns can be established and in which the existing ones continue to follow slightly cur-

> of these services to a reasonable degree. At that point the two special advantages of the new towns do begin to weigh with industrialists on the move. The special powers of the new towns terms of incentives for industrialists match those of the special development areas. They include rent-free periods, direct grants for buildings and plant help with redundancy payments and staff relocation costs, and cheap or interest-free loans. The new town development

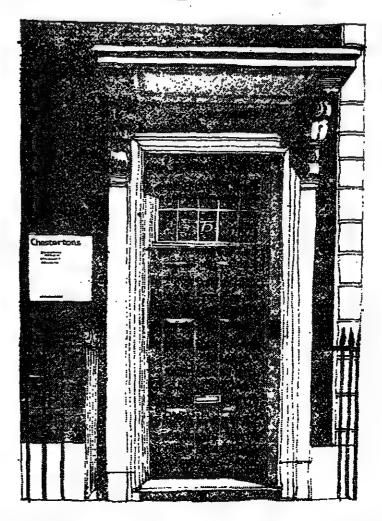
corporations have acquired a level of expertise in relocation and industrial building unmatched by any other group. Industrialists find this a big attraction so long as their basic needs of convenient location exist. As a result the new towns have been attracting industry at a rate matched only by the private sector which chooses its development sites and times its building programmes solely on

Christine Moir

the grounds of foreseeable -de-

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# Ford factory a big coup

cannot compete with the geo-graphical appeal of an area like showed some signs of picking up, the Principality did not miss out on opportunities to attract the expansion-minded manufacturer.

The new premises will occupy a 175-acre site and are expected to provide about 2.500 new jobs when they open in 1980. At the same time there is bound to be further local spin-off in terms of supply and service industries.

The Ford scheme is significant not only because of its size but because of its location. The new plant will be sited in the heartland of South Wales, which is currently suffering from a severe structural crisis, Traditional industries like coal and steel are breaking up, leaving an abundance of surplus labour which is not easily absorbed by the smaller more capital - intensive businesses which often replace the older. Within the past year or so British Steel has announced the

It is this surplus labour which the Welsh Development Agency (WDA), by far the most important developer and the biggest industrial landlord in Wales, is currently attempting to exploit. It was the WDA, which from its own resources and by buying from private owners provided the land for the Ford

At the same 'time, in direct response to the social implications of massive redundancies. the WDA has also embarked on a special crash programme of factory building in Cardiff and Ebbw Vale. In Ebbw Vale the units of 1,500 sq ft up to Agency is building 48 advance premises of 50,000 sq ft. In factories and developing a major industrial estate at Rassau. The first factories Im so ft) as it did the previous should be completed in April or year (360,000 sq ft). These May and although there have figures exclude non-speculative not yet been any firm allocations developments, i.e., those built there are apparently one or two to a particular specification. very interested " enquirers.

TANK THE PARTY

The above programmes are part of an emergency package the South-East. But during a designed to meet the threat of year when industrial investment closures in traditional Welsh industries. In addition, as part of the WDA's general factory building programme, 17 factories are being constructed on a major new estate near the an adjoining 50,000 sq ft for hi-fi.

The big coup of 1978 was of Shotton steelworks on Deeside equipment and music centres.

course the decision by Ford to in North Wales. This is also an build a £180m car engine manuarea which has experienced facturing plant near Bridgend, serious job losses in the steel and textile industries. The WDA is one of several agencies attempting to promote

industrial investment in Wales. It is, however, easily the most important. encompassing both the roles played in England by the National Enterprise Board (providing equity capital and loans) and the English Industrial Estates Corporation.

#### Function

The Development Board for Rural Wales is a sister organisation which operates on a much smaller scale in the depopulated heartland of the country; the Development Corporation for Wales is primarily a marketing organisation; the Welsh Office hands out grants closure of plants at East Moors, and other incentives (most Cardiff and Blaenau, Gwent, of Wales has development while 2,000 steelworkers were area status); and the Land made redundant at Ebbw Vale. Authority for Wales also has it is this surplus labour land available for development, essentially carrying out the function of implementing the Community Land Act performed in England by local

This proliferation of agencies has attracted Parliamentary criticism but MPs' claims that the businessman is confused as a result are strongly refuted in Wales itself.

Last year the WDA, which was founded in 1976, certainly improved on its track record for 1977. Its factories cater for 1978 the Agency let more than three times as much space (over not be further from the truth."

1m sq ft) as it did the previous Mr. Ryland also maintains

The WDA also reports a big Progress in Cardiff has been increase in enquiries for 1978

Transmissions, which have both moved to Wrexham. A Swedish wire basket manufacturer and Girling Midland Ross, part of Lucas, have taken sites at Tafarnaubach, while National Panasonic, which already has a factory at Cardiff, has taken over

Apart from the hopeful if flickering signs of revival in the manufacturing sector, the WDA believes its vigorous promotion policy has contributed to the increased interest. In November, for example, it ran its first TV advertising campaign on HTV; this resulted in a subflood of enquiries. stantial Major developments like those just mentioned and particularly the Ford success has probably focused more attention on the

region

Communication links are always an important factor which any industrialist has to take into account. It is no coincidence that the better developed areas of south east Wales are most easily accessible by road and rail from London. In south Wales the emphasis has been on the siting of new projects on the northern strip of the coastal plain following the line of the M4. The opening of this motorway westwards from Cardiff and the prospect of further extensions in future and the supply of missing links, is also significant. North Wales, meanwhile will benefit from the dual carriageways which are to be built to connect Chester with Bangor and Chirk.

On the developments of the past year or so Mr. Colin Ryland, of chartered surveyors Cooke and Arkwright, has these observations: "It is now beginning to be understood on the other side of Offa's Dyke that the natives are friendly, that the Home Countles are only two hours away by motorway or high speed train and that the popular image of south Wales as a land of coaltips and pitwheels could that the attractions of the area are reflected in high house prices higher, in fact, than anywhere else in Britain except

While the Welsh Developslower, mainly because the which has led to the allocation ment Agency dominates new implement investment decimodation with the minimum of Part of the SDA's function is burgh, Stirling and Aberdgen.

WDA first had to find the land, during the year of some 70 factory development in Wales sions. As a result, there is a adaptation, has been hit by the to invest, directly in Scottish During a mini-boom of buildWork on 19 of the 20 additional units, against 30 in 1977. New —its chief criterion is social, backlog of plans awaiting imrating revaluation. "Some of companies—a role which has led ing around 18 months ago, it

certain parts of London.

Private factory development. on the other hand, is largely snuffed out by the high level of WDA activity. There are still a few companies eager to buy their own premises outright but virtually all privately rented factories were built well before the WDA was thought of. In some cases rents can be very low. Warehousing provides the main opportunities for the private end of the market and throughout the past 12 months little slack in the market.

fore it does not need to operate moved steadily ahead. Cardiff on strict commercial lines—the private sector largely is left to exploit the warehousing market.

Cooke and Arkwright cites Cardiff and physically nearer to the example of Pyle, a small the centres of economic activity the example of Pyle, a small the centres of economic activity the example of Pyle, a small the centres of economic activity the projections for 1979:

South Wales village sited in England, rents in Newport reveal a significant trend. Of the 239 advance factories (1) which the 249 mill are reported to be considerably the 239 advance factories (1) which the 249 mill are reported to be considerably and a crossroads which just are reported to be considerably the 239 advance factories (1) which the 249 mill are reported to be considerably and a crossroad which just are reported to be considerably and a crossroad which just are reported to be considerably the 239 advance factories (1) which the 249 mill are reported to be considerably and a crossroad which just are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be considerably the 239 advance factories (1) and 200 millions are reported to be co exploit the warehousing market catalyst Bridgend has experiyear warehouse rents, according to one agent, have risen about 50 per cent and the best modern units up to 10,000 square feet are making £1.30p to £1.35p a

> moment outstripping supply. Rents in Cardiff are nearer the £1.40p mark and with the legacy of a tight local government boundary prior to re-

sq ft. with demand at the

Rents on the Village Farm Estate, dismissed in previous years as a hopeless development, have risen dramatically during 1978. One 20,000 sq ft unit let earlier this year commanded £1.15p sq ft and even this is

Newport, meanwhile, comparatively short of good warehousing accommodation, though supply seems adequate organisation there is precious to cope with demand. Although brushed awa little slack in the market. only 10 minutes by road from is expected.

valuation.

WALES may lack the financial advanced factories is now tenants include E. Gomme, part namely employment, and there- rent levels have generally Cooke and Arkwright cites Cardiff and physically nearer to incentives of a region like under-way while a start on the of the High Wycombe G-Plan fore it does not need to operate moved steadily ahead. Cardiff the example of Pyle, a small the centres of economic activity northern Ireland and clearly twentieth will be made soon. South Wales village sited in England, rents in Newport on strict commercial lines—the is still the prime area, but

Swansea provides another contrast, with the WDA active in the warehousing market. Observers comment that the town's political history has also discouraged private speculative development.

What of the future? While is present activity is admittedly good unexciting, rental levels show thion, no sign of tailing off and once the winter cobwebs have been until the winter cobwebs have been development depends just any much on those whose size and origins are as yet still humbled origins are as yet still humbled. brushed away renewed demand

So far as the WDA is conto complete, all but 49 will be units of 5,000 sq ft, 3,000 sq ft or 1,500 sq ft. This is in direct response to an identifiable demand from up-and-coming small businesses which need room to expand. Whereas the big names will always attract Tim Dickson

## Scotland

now thought to be an under-

# Lending rate increase bites

DEMAND FOR warehouse and industrial property in Scotland has been reasonably good in the six months to December 31 last, according to an industrial property review commissioned by Kenneth Ryden and Partners, chartered surveyors based in Scotland.

"However, we have experienced a marked cutback in enquiries subsequent to the recent harsh increase in Bank lending rate, exactly the sort of effect it was intended to the report says. have." hope this is a temporary situation and the economic forecast for the next six months would appear to indicate that we might anticipate a healthy rate

of take-up." The optimistic economic forecast is based on the expectation that investment expenditure will continue to rise through the early part of 1979.

This appears at first to fly in the face of the underlying pessimism in the forecast, which suggests a slowdown in the rate of growth of consumption expenditure plus a squeeze on corporate profitability as a result of higher interest rates. But, argues the report, it

takes time to make and then

land was the result of interest many cases, the gross annual in over 175 locations, shown by national companies value represents over 50 per With its massive but in warehouse and distribution depots. There has been comparatively little demand for new manufacturing space. The supply of stock from pri-

vate developers has fallen over the period but the total overall stock position has not been greatly affected because of increased activity by the Scottish Development Agency.

Rentals have not changed dramatically in the past six ment Agency (SDA) has a bud-months but there has been get of massive proportions. growth in some areas. The re port says that in Glasgow in mid-1978 average rents for modern warehouses were at £1,35 per square feet, and would have risen to around £1.45 per square

foot by the end of December. Industrial investment yields have been relatively stable and good let industrial/warehouse investments in the central area have steadied at around 71 per cent to 8 per cent.

industrial property, which has traditionally always reflected was around £90m. This figure is good value provided the pur-expected to increase further to chaser could utilise the accom- £100m in 1979.

The report said the reason for the demand for warehouse and industrial property in Scotand industrial property in Scotand the reason for the demand for warehouse and industrial property in Scotand industrial property in Scotmulti-storey property where, in now owns around 601 factories rents and values down. But the

Any discussions of industrial siderable impact being made by Government agencies as sup-pliers of sites and premises. The English Industrial Estates Corporation is by far the nation's largest industrial developer. In Scotland the Scottish Develop-

#### Warning

At the beginning of September, Sir William Gray, the SDA's chairman, warned that before its first five-year period of operations ended it would have to scale down its activities unless further funds were made available. In the first 15 months of its life SDA spent around £25m. In the next 12 months The market for second-hand this jumped to £51m and the estimate for the whole of 1978

With its massive budget SDA cent of market value," the report is seen by most independent observers to have a potentially large impact on the Scottish property markets in the UK industrial property scene. Not must inevitably look at the conso, says the Kenneth Ryden report. "The scope of the financial powers of the agency indi-cates that its role must be a modest one. "In terms of industrial

investment the contribution of the agency may be significant. but must fall a long way short of transforming the volume of investment." The report's conclusion is based on the premiso that, over a five-year period the Agency's expenditure on industrial function might amount to £120m, or roughly £24m a year.

Although the report does not mention it, the SDA does play an important part in complementing the activities of privatedevelopers in the sense that it usually chooses sites which the private developer would not regard as prime. After the market property. private developers tended to concentrate on the main industrial areas of Glasgow, Edin-

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units. Immediate occupation. 1 mile

10,350sq.ft. warehouse. To Let or

the most glaring incongruities of to considerable controversy. But looked for a time like the reces excess supply seems to have been absorbed and a degree of equilibrium has been restored? to the market.

> The new towns, backed ask they are by State lunds and armed with grants, loan packages and the ability to offer's rent-free periods, provide stiff competition to the existing industrial centres. Livingston New Town was late last yeargranted an additional 176 acres : within its designated area to provide for further industrial

Irvine has also been attracting industry and has a bevy of multinational covenants including such names as Beechams, Volvo, ICI, Monsanto, Rockware Glass and Hyster, the U.S. forklift manufacturer, on sites in or around the town.

But the outlook for Scotland. in the longer term does depend to a very large extent on the general health of the UK eco-nomy. The Kenneth Ryden report suggests that a worsening in the nation's current account position, made inevitable by the Government's current economic, policies, is being masked by North Sea Oil revenue.

Terry Ogg

## SCOTLAND

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Richard Ellis

#### BY ROBERT GRAHAM IN MADRID

# Spain comes in from the rain

YESTERDAY'S ceremony in Brussels marking the opening of negotiations between the European Community and Spain on the latter's application for entry was little more than a formality. The real negotiating will not begin for a while yet. Nevertheless the Spanish Government regards the event as of great symbolic significance: It is the first concrete step towards closer integration with Europe after the isolation of the Franco era, and as such represents the reassertion of what Spaniards see as their natural European identity.

" With Brussels we have been rather like a man standing since serious discussions will impatiently in the rain on a doorstep. Now the door has Although attacking the Govern-pointed out the added weakness been opened, we have been admitted to the waiting-room it is significant that neither the when its economy is in such such and we can be more patient," Socialists nor the two other problematic shape.) A good and we can be more patient," says Sr. Leopoldo Calvo-Sotelo, Spain's Minister for European Affairs, who a year ago was given the task of setting up this Ministry and initiating negotiations. He admits that he has been in a hurry to reach the formal negotiating stage. He pressed for early completion of the Commission's opinion on the application, and the Commission was quicker than expected in delivering the opinion last November; he then pressed for an early start to negotiations, which again he seems to have

#### Mainstream

Such haste stems from the political nature of Spain's application for membership. The application, in July 1977, came barely six weeks after the first democratic elections in Spain for over 40 years. It was designed to ensure that Spain attached itself firmly to the mainstream of European democratic political life. Since then the Government has attached Spaniards being given formal public opinion is remarkable slightly in volume terms since evidence of such a link as for its indifference: membership the beginning of the '70s, while

and Portugal.

major Opposition parties, the deal of cynicism was reactions have acquired more functions have acquired more functions. But nothing has negotiating timetable—concluctanged their basic acceptance of the need for membership.

was also scepticism over the Government's own view of the negotiation by 1980 and the ratification of an agree-

industrial nations, the Spanish regoliators admit that they are coming to the table in a position of weakness. Spain's economy has been heavily proper to the spanish reservations exist in the minds of many, in no matter what sector. These reservations are fuelled, moreover, by the slow preparation of detailed sectoral tected and is unused to the kind studies on the effects of entry. of free-trading conditions to The absence of any public which EEC countries have become accustomed. They are opinion on specific topics is pronevertheless proceeding on the bably misleading. The one assumption that it is in the instance of strong pressure seen terests of the Community to so far has been the fishing terests of the Community to absorb a Spain that is not seriously weakened by the con-sequences of its entry. The main imponderable from the Spanish angle is the extent to which public opinion can — and will — become mobilised on particular issues. At present

earlier applications by Greece having been decided in advance for them by the Government.

as well. Monday's ceremony in of meetings held from October Brussels preceded by two days through to December with all the opening of the campaign for major economic and political the March I general elections. groupings, provides an insight Sr. Calvo-Sotelo says this was into the opinions of those most directly concerned. Chambers tainly a happy one. The of commerce, agriculturalists, Socialists claim that the Govern- industrialists and trades unions ment pressed for an early for- showed themselves more premal opening of negotiations occupied with the effects of the solely for political motives, recession in Spain than the consequences of joining the EEC. start until October. (In this respect several have Communists and the Right-wing countered, with people believ-Alianza Popular, have opposed ing that the Government would the idea of Spain joining the trade the political gain of Common Market. As the consequences of membership have in the economic sphere. There become better understood, their was also scepticism over the

Although Spain's population ment by 1982-83.
is 36m and the country is The Ministry's report leaves ranked 10th in the league of the impression that serious so far has been the fishing lobby, which has protested strongly to the Government over restrictions of Community

fishing licences. Agriculture poses the greatest problem in the negotiating pro-cess. Spain's foodstuff exports to the Community have declined

for just over 25 per cent of total sales to the Community, com-pared with 45 per cent in 1971. played by the Government to Ministry for European Affairs, huge and dynamic citrus prohelp its political respectability based on a country-wide series duction, its sizeable olive oil and as well. Monday's ceremony in wine surplus capacity, and its modern tomato and tomato paste industry will come full square against the vested interests and complexities of the Common Agricultural Policy. Forced to operate against fierce competition from non-Community Mediterranean producers like Israel and the Magreb countries, Spanish farmers would like to see the Community as a privileged domestic market privileged domestic market which could absorb substantially more than the current 65 per

#### French farmers

do not have a powerful lobby like their compatriots in France, They sense that Spain's in-dustrial interests will prevail over agricultural ones at the negotiating table. Beyond this, they feel that the Government cannot effectively fight the sus-tained opposition of the southern French wine producers or win satisfactory concessions on citrus exports against the opposition of southern Italian farmers. Meanwhile, the struc-turally weak milk and beef producers in Galicia fear that they will suffer badly from existing Community price policies.

The Government has neither offered nor been asked for an opinion on the CAP. However, officials make no secret of their desire to see Community agri-cultural policy reflect more favourably the interests of the Community Mediterranean producers. The sensitivity of this issue means that it is unlikely to be raised in negotiations before accession (at least by the Spaniards). On the other hand.

building and textile sectors— relations between trades unions better co-ordination of Com- and management, and the genermunity industrial policy is likely ally poor quality of manageto be an early theme. Those in the steel and shipbuilding sectors believe that Spain, as a candidate country, will now be treated more favourably. . Sr. Calvo-Sotelo says he would like to see Brussels accept the principle that the restructuring of Spanish shipbuilding and steel be treated as part of an overall

seem, have a long way to go before reaching understanding. The Community appears to view Spanish industry as aggressive, heavily Government-supported, still relatively low-cost, and capable of ruthless dumping practices. Not all of this is wholly fair. For instance, the

Community plan

Community recently complained about the 1939 "buy Spanish Act" which can oblige public But the farmers know they concerns and private companies to buy Spanish goods. Spanish sources say this Act was last used in 1975 and can apply only to those industries operation in 1920 (which was last used in 1975). ing in 1939 (which was not that many).

However, the Government does offer tax rebates to exporters of up to 25 per cent and more. This is now the single most thorny issue with the Community, according to Spanish officials

It is debatable how much support the Government can remove without prejudice to industry. Spanish industrial industry. Spanish industrial overheads in the past three years have risen at three times the rate of Spain's European competitors. The financial structure of the majority of Spanish companies is weak, and has been further sapped by the effects of poor planning that failed to take account of the economic slow-down. The financial system itself is weak and there is no easy access to medium- and long-term finance.

regional policy and how this will affect both existing plans for autonomy and the present concentration of economic Community plan activity. Substantial Com-But the two sides, it would munity aid to poor regions could be one of the sweeteners offered by the Community in negotia-tions. But economists argue

that the logic of EEC membership will be to increase the industrialisation of those areas already most devoloped and which are closest to Northern Europe-the Basque country and Catalonia. In this respect the regions of Andalucia, Extremaduro, Galicia and the Canary Islands are extremely concerned because of the potential wider income gap between themselves and the rest of Spain. The Canaries present a problem of their own. Since they are a Customs-free zone, they will have to opt whether to retain this status or come within a Community regime, Canaries industrialists dislike the dismantling of tariff bariers as they say this would prevent moves to

industrialise the islands. The merchants fear Community taxes on goods imported from the U.S. and Japan; on the other hand farmers selling tomatoes and foodstuffs definitely want to be inside the Community. The complexity of these various Issues means that Spain must now take the negotiating

process slowly, according to

OFFICIAL STATISTICS

clearance (fourth quarter); housing starts and completions (December); and house renova-

tions-work completed (fourth

liabilities, reserve assets, reserve

ratios and special deposits (mid-

industry—at least that part in Spanish hands — is likely to become weaker and less competitive in the short term. Much interest focuses on

> the telephone company Telefonica, the national petroleum distribution company Campsa, and the tobacco company Tabacalera. Changes are also being contemplated to liberalise automotive imports.

> > the Community decisionmaking process - or rather so that Spain can be more closely consulted on decisions taken by the Community that affect it. One contentious issue is the position of the 500,000 Spanish workers inside the Community. Spain would also like to be involved in discussions on the proposed European Monetary System. Membership is ruled out at present but in principle the Bank of Spain believes that membership would act as a beneficial form of external

discipline. Significantly, neither Sr. Calvo-Sotelo. Nevertheless he says he is considering some "anticipatory actions" during question been raised of Spain the negotisting period. For instance, he expects changes to be made in legislation concern-

Source EEC COMMISSION ing monopolies, of which there The political parties have imare currently three in Spain- plicitly accepted a certain derogation of sovereignty to Brussels, But the practical effects of such derogation are largely unrealised in Spain, For instance, it is questionable how long Spain would be able to maintain its policy of refusing to restore diplomatic relations Spain is also looking at ways with Israel once it became a member of the Community. In thereby it can begin to be part admitting Spain, Brussels would be bringing into its fold a nation every bit as nationalistic and chauvinistic as the British and French - and threatened just as capable of

1976 1977 1978

The EEC's Trade with SPAINE

←IMPORTS

from SPAIN

EXPORTS to SPAIN ->

This is a coveat which the Spanish themselves have probably not yet fully come to terms cracy is taken more and more for granted both inside Spain and by the rest of Europe, the in original motivation for memberpublic nor in private has the ship - the strengthening of democracy — will appear less losing sovereignty by joining important. The economic the Common Market. There has espects of Spain's relationship been an unchallenged accep- with the community will become tance of the European ideal.more central.

where national sovereignty is

concerned.

## Letters to the Editor

## Examining the closed shop

From the Executive Director, Institute of Directors

Sir,—It is excellent news (February 2, Page 1) that the TUC is to examine trade union organisation, and in particular that most unacceptable part of it, the closed shop. The last few weeks of industrial turmoil will provide it with plenty of evidence of its harmful effect and, dare one bope, the necessary spur for its elimination.

against this most vicious of restrictive practices, not only because of its clear implications for the freedom of the indivi-dual, but also because of the actual harm it does to the interests of those whom its pro-Lagonists think it will protect.

The closed shop is harmful for three quite specific reasons: it restricts the freedom of the individual to associate or not to associate - and thus to work at his chosen calling: it hampers the capacity of enterprises to go about their legitimate business of serving their customers, and thus providing their employees with a livelihood; and it undermines the effectiveness of the trade union movement itself.

The first point needs little elaboration: a man's right to work is, or ought to be, inalienable. All he has to sell is his own ability. The second point is equally clear: you do not have to look far to see examples of where the closed shop has provided trade unions with power to prevent or make it virtually impossible for firms to honour their commitments to their customers. The communications industry provides its own examples. As for the unions themselves, they too have their customers — their

Once unions need make no effort to encourage people to join, but can simply dragoon them into their ranks, once potential members are no longer free to choose whether to avail themselves of their services, the unions will cease to have the real interests of their members at heart. Monopoly is no more benign in the hands of trade unions than within the market for goods and services. Just like any other customers faced with a service which does not come up to scratch, union members must be able to demonstrate their dissatisfaction, and vote with their From Mr. D. How

If the TUC were now to initiate reform of the closed shop, it would find that it had acted at a time when support for such a move was at its height, not only amongst the general public but also in the rank and file of union membership itself. Such a move would demonstrate to a bewildered British public a constructive what today looks dangerously like a destructive

## 116 Pall Mall. SW1 Do away with

H. S. R. Watson,

inflation From Miss M. Gough, Aged (February 1) seems to than eight I personally know

have allowed his sympathy and who have built up their own spondent Miss Eyvor Barrie's spares it is certainly not true emotions to overcome his companies within the past ten account (January 22) of her of the operational aspect with commonsense: if the index- years. They range from one who experience in seeking training which we are all deeply conservants were to remain static, those persons affected would simply join the ranks of those whose cause he is championing, for by definition those servants are also aged and by far the greater proportion of them have pensions far less than the

original £3,000 he quotes. and often alone as when Governments take 52 per cent of profits in corporation tax and give it back to companies in grants, loans and subsidies of all kinds.

No wonder the bureaucracy is so extensive and expensive. Obviously, the answer here is to do away with inflation so that the index-linking withers away. Incidentally, civil servants do not make laws: they are administrators, not the legislature. (Miss) M. Gough.

2. Gross Cuttages. Stogursev. Bridgwater. Somerset.

#### Who do you miss the most?

From Mr. A. Thorne. Sir,-While I sympathise with lower paid workers, Mrs. (February 2) may be assured that there would be no the "bankers, financiers, stockbrokers, etc." and their families to undertake the work normally done by the essential workers who are striking. Perhaps, too. the work would be done more efficiently and with better grace. but as we already know, the trade union pickets will not permit this.

Were the boot on the other foot, it is unlikely that there would be union pickets to prevent the vital public service workers taking over the running of the banks and financial institutions, but it is interesting to speculate how long it would be before the country ground to a total halt. A. S. J. Thorne,

Foxley, Hancocks Mount. Sunning lale. Ascot. Berks.

## Entrepreneurial education

Sir.-While finding John de Bruyne's article "Britain: A Utopia for entrepreneurs? (January 31), a stimulating if somewhat rose-tinted contribution to the general debate as to whether we are doing sufficient to encourage the establishment of small businesses, I must disagree violently with his conclusion that the reason for a shortage of entrepreneurs is that the "British independent schools still turn out conformist and non-competitive students" who are educationally unfitted for Braintree, Essex.

As a member of his House at Eton I would like to re-assure him that a large number of his ex-school contemporaries are busily engaged in a wide range of entrepreneurial activities. From a House photograph of some 50 boys (in which John Sir.—The director of Help the features) I counted no fewer Dirision

linked pensions of the civil has established a service industry group employing over 700, to another who owns a West Country catering firm, and a third who has developed substantial manufacturing in-

terests, largely in plastics.

It would thus appear that at least 15 per cent of John de Bruyne's school contemporaries The director's solution is are involved in entrepreneurial symptometic of two things activities, which just goes to which I deplore: the attitude of show how far he has lost touch and, dare one bope, the necestration and dare one bope, the necestration and the misery of sary spur for its elimination. This institute has for the last remedy defects by treating the law article) with the harsh realities of starting and running a business. ness in the strike-ridden and bureaucratically stifling commercial atmosphere of Britain,

> Denzil How. 12, Perrymead Street, SW6.

## Running your own business

From the prospective Liberal Parliamentary candidate for Saffron Walden

Sir,-It was like a breath of

fresh air to read the article— Britain: a Utopia for entre-preneurs?—by John de Bruyne There is, I believe, such a thing as self-induced defeatism. and the spokesman for British

business—particularly the small business sector—seem to me to be guilty of it. As a selfprofessional started his own business, I can vouch for nearly all of the points made by Mr. de Bruyne.

Too many small men who start up on their own are not equipped with the very basic administrative. legal and accounting skills necessary legal and

these days. The whole approach of the business lobby towards such legislation as the Employment Protection Act drives me to distraction. Of course it causes some extra work and involves the acquisition of legal skills and new habits towards employment. As against that, however, the better organised companies were moving this way already (if they had not already got (here). And, more important, the Act should go a long way to undermining that fear of arbitrary and unjust behaviour on the part of employers which has for so long fed the fears of myriads of decent workers, and provided a rich seam for militants to exploit. In my view the Employment Protection laws are in the process of neutralising one of the major sources of

industrial unrest. I think Mr. de Bruyne underappreciates the genuine wish on the part of workforces to be more involved in the businesses they are employed by. Again, however, the whole concept of participation is treated business leaders who should know much better as yet another imposition, rather than the potential solvent of age-old and destructive misunderstanding which bedevils us still. Andrew Phillips,

## 89. Bradford Street, Bocking. Seeking for

training

From the Deputy Chief Executive, Manpower Services Commission, Training Services

under the training opportunities scheme (TOPS) in radio/TV and electronic servicing is substantially correct. I hope that your readers are not led by it to imagine that the Manpower Services Commission is not alive, or responding, to the training needs arising from changes in micro-electronic technology.

The course concerned is by no means directly connected with these changes, and the dilemma underlying the longawaited period for it, of which ise Barrie was made aware at a very early stage of her application, is set out at paragraphs 1.17 and 1.18 of the recent review of TOPS. There are certain courses which are heavily in demand by individuals, but limited demand by employers; and this is one.

We hope that it will be posplace well before the time suggested in our letter to her of G. W. Trotter, November, but we prefer to perform better than we promise.

To set the record straight, we shall in the present financial year provide training under for computer-related skills (including computer en-gineering) for 800 people in London alone, and are aiming to increase that provision quite substantially.

J. D. Rimington, Manpower Services Commission, Training Services Division. Ebury Bridge House, Ebury Bridge Road, SW1.

## London taxi tares

From The Chairman, London Joint Cab Trade Committee.

Sir,-Your article on the London cab trade in "Men and Matters" (January 26) quotes Matters ' only a fragment of the full statement given to its author over the telephone the preevening, and theregives your readers quite the wrong impression New cab orders from Mann and Overton (the London suppliers) were stopped by a unanimous decision of this committee representing London's 16,000 drivers and owners.

New cahs have hitherto been

purchased by the trade in the

belief that an adequate fare increase would be forthcoming but on the contrary fares have been held down while costs have continued to rise. Since July. 1975, cab fare increases have been subject to strict Government constraints of 10p per hiring increase in December, 1976 and 10 per cent in December, 1977. During this same period, Carbodies and and Overton have inflicted regular price increases in the cab trade, resulting in the new Austin cab price rising by 85 per cent and spare parts 79 per cent. London's cab drivers feel a sense of bitterness towards their suppliers for pushing up prices while they themselves have been forced to work harder and longer to

The Under-Secretary of State at the Home Office recently described the cab trade as a flourishing industry." and while this may apply to the supplying of new cabs and

Meanwhile, productivity has

Let the Government's own Price Commission Taxicab Survev (September, 1978, Para. 5.19) make the case for us: "If funds were put into reserves at a rate adequate to finance the purchase of replacement cabs, the operating margin would be

London is the only capital city in the world with a custombuilt cab and cab drivers are quite happy to keep it that way so long as their suppliers do the only shop in the street.

Having suffered these and other heavy increases in operating costs, the London cab trade's second grievance is with the Home Office for not allowing for which there is only a fares to rise to a level sufficient to recover them. At least in this connection a joint working party has been set up sible to allocate Miss Barrie a and is currently trying to reach an acceptable solution.

> London Joint Cab Trade Committee.

47. Windsor Road. Slough, Berks.

## The law on picketing

From the Vice-President, Employe Relations Institute Personnel Management

Sir.-There is a temptation to react to the particular issues of the moment, whether it be the mass-picketing at Grunwick or econdary picketing in the road haulage dispute without looking at the deeper causes and forgetting that in many cases picketing causes no apparent

This institute considers that the intention of the law-a expressed in Section 15 (a) of the Trade Union and Labour Relations Act, 1974—is clear on one point; that the immunities only apply where there is a dispute with the employer in question. If there were uniform acceptance of this interpretation of the law and if it were possible for it to be enforced, there would be no need for amendment. This, however, is not the case—as evidenced by the untypical but potentially very serious recent happenings—and the institute considers that the law on picketing needs clarification and re-statement.

Accordingly the institute has proposed a rewording of S.15 of the 1974 Act to confine picketing to persons employed in the busi ness concerned or officers of trade unions having (or seeking) recognition rights in that business, to confine pickets to attend at or near a place where that business is carried on, to limit the number of pickets to that appropriate to the site, being sufficient to communicate information peacefully and not to cause an obstruction. Pickets should be identified and have an appointed leader.

superable. L. D. Cowan-

Institute of Personnel

Central House,

The institute appreciates that the changes it proposes in the law will require certain difficulties of definition to be overcome but does not consider these in

#### **Today's Events** UK: National Union of Mineworkers and National Coal Board negotiators meet again on pay

PARLIAMENTARY BUSINESS House of Commons:-Debate on the disruption of the education services, till 7 pm. Private Department of the Environ-ment publishes figures for slum

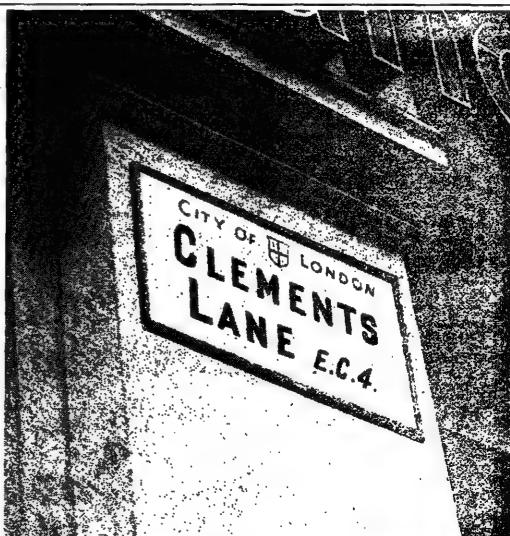
Business. Lords:-Land House Registration (Scotland) Bill, report. Aviation Security Fund (Amendment) Regulations 1979. Price Commission (Amendment)

quarter). London clearing banks' monthly statement (mid-January). UK Banks' eligible Bill. committee stage. Select Committees:—Nationalised Industries, Sub-Committee

Committee on Statutory Instruments, Room 4, 4.15 pm, followed by Select Committee on Statutory Instruments. COMPANY RESULTS

Final dividends: Evode Holdings, Hallam, Sleigh and Cheston, Interim dividends: Crouch Group. Textured Jersey. Unitech, Interim figures, William Jackson and Son.

COMPANY MEETINGS Baggeridge Brick, Midland Hotel, Birmingham, 12.30, Kelsey Industries, Kelsey House, Wood A Subject: Report and accounts. Lane End, Hemel Hempstead, Witnesses: British Waterways Herts. 11. Tomkinsons Carpets, Board. Room 8, 4 pm. Joint Duke Place, Kidderminster, 12.



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## Vibroplant moves ahead to £1.6m in first half

PROFITS before tax of Vibro-plant Holdings, plant hire specialists, increased from £1.23m specialists, increased from £1.23m to £1.6m in the first half year ended September 30, 1978. Turnover was higher at £5.37m compared with £4.38m.

The improvement reflects the comments made by Mr. G. B.

Pilkington, the group's chairman at the annual meeting last

He told shareholders then. that the current year had started well with profits at a satisfactory level and be expected the group to continue growth and further increase profits in 1978-79.

Net profits for the first six months were £767,451 compared

with £588,864 after tax of £831,405 against £637,936.

The interim dividend is lifted from 3.96p to 4.422p costing £176,880 (£142,560) after waivers. In the last financial year to March 31, 1978, a total dividend of 10.6265p was paid from record pre-tax profits of £2.38m.

#### comment

Snow and the transport strike show and the transport satisfy
have effectively doubled the construction industry's traditional
two-week Christmas break and
may therefore jeopardise the
chances of sustained growth at
Threalest 11 the interim state Vibroplant. At the interim stage, the plant hire group is 30 per cent to the good at the pre-tax level indicating slightly better the sector are mostly invalidated

year's timetable. Interims—Crouch Group, Textured
Jersey, Unitech.
Finals—Drayton Far Eastern Trust.
Evode Holdings, Hallem, Sleigh and
Cheston.

Zambis Copper
Finals—
Alexanders Holdings
Arden and Cobden Hotels
Colonial Securities
Debenture Corporation
Metal Closures
Plastic Constructions
Tube Investments

than maintained margins, where a 15 per cent price increase at the start of the financial year was obviously of material help.
The shares climbed 4p to 217p
yesterday where the historic p/e
is 10.2 and, given normal industrial and climatic conditions, the prospective figure should have been no more than 9. Comparisons with the rest of

by the group's unique position as a hirer of general non-operated plant and the industry's widely varying treatment of the crucial depreciation charge. But an historic yield of 7.5 per cent, a good track record and the group's independence of the increasingly competitive crane hire business should justify a premium price. It seems, however, that the recent demise of the founder and chairman should not be taken as the forerunner of any break-up of the dominant family shareholding.

## **Dewhurst & Partner** ahead

FOLLOWING A rise from £72,530 to £127,600 in midway profits, Dewkurst and Partner, maker of electric control equipment, ended the October 1, 1978, year ahead at £229,045 pre-tax, compared with £167,284 for the previous 53 weeks. Turnover was £1m higher at £4.21m.

After tax of £118,585 (£92,582). stated earnings improved from 1.04p to 1.53p per 10p share, while the dividend total is lifted to 0.92p (0.83p) net with a 0.64p

## Rivlin runs into £0.4m loss: Sachs still a problem

THE PROBLEMS are not over yet at I. D. and S. Rivlin, whose store subsidiary Sachs and Sherman went into receivership last

The delayed report and accounts for the year to last April contain a statement from the chairman that the difficulties arising from Sachs failure "will be overcome. But that is a medium-term rather than a shortterm objective.

Meanwhile, the figures show a collapse in profits from £66,293 (compared with peak profits of film in 1974) to a loss of £435,810. Of this, Suchs accounted for £308,000 but the companies still trading managed to lose some

Since the year end the group's flauncial affairs have been tight-ened. The investment in Sachs -worth £624,000 has been writ-ten off; loss making retail shops have been closed, and bank borrowings and stocks reduced.
According to Mr. Leon Rivlin,
the chairman, the result is that
bank borrowings had been

bank horrowings had been reduced by 34 per cent and stocks by 30 per cent by October last. By Christmas bank borrowings had come down to £708,000 against the £1.3m shown in the

The unaudited net earn-

ings for the first 24 weeks of 1978.79 were

weeks of 1978.79 were \$26 203 000 compared with \$27 089 000 for the

corresponding period in the previous year. The

latter figure included a \$7 000 000 capital gain. Excluding this capital gain, net earnings im-

proved by 30 per cent over the previous cor-

responding period. This is largely the result of

substantially increased

sales revenue compared

with the previous period. Net earnings for the

second twelve weeks of the period were \$14 241 000, an in-crease of 19 per cent over the \$11 962 000

earned in the first twelve

An interim dividend of

4.5 cents per share (1977/78 3 cents per

share) absorbing \$12.9

million has been declared. This dividend

will be paid on April 2. 1979. The registers of members will be closed from February 16 up to

and including February 22, 1979 to allow com-

pleted transfers received

by the company up to 5 p.m. on February 15, 1979 to be registered

before entitlements to

Sales revenue for the 24

weeks increased by 19

per cent from the cor-

responding period last year. The increase was

due to higher prices for

copper, lead and silver,

sales volumes for zinc

and silver. This was partially offset by a

lower volume of copper and lead sold. The

higher silver sales were

due to the continued

PRODUCTION

reduction of In-process

Copper ore treated

together with increas

mined. SALES

make a loss in the six months to October last, excluding the cost of closing some shops.

by Katina Fashions Group prior to acquisition on August 15, 1978.

Furthermore, there continues to be hope that Rivlin will not be called upon to bonour its fim guarantee for Sachs' borrowings from Midland Bank,

However, the company is not forthcoming over its trading profits. It explains that part of last year's problems were due to delays by the EEC in finalising import quotas for garments but beyond that says only that forecasting in the present economic climate is difficult.

The shares are still suspended but an application for re-listing is to be made shortly.

## Kunick Hldgs. reaffirms £0.10m target

The directors of Kunick Holdings, manufacturer and whole-saler of fashionwear and commission agent, reaffirm prefor the current year.

Profits before tax for the remaining companies will not pre-tax profits of £16,429 made pre-tax profits of £195,000.

1978-79

Add: Extraordinary Items CONSOLIDATED NET EARNINGS

stock valuation

EARNINGS AVAILABLE FOR

out of current year's earnings included in Cost of Sales and

Zinc (tonnes payable metal in concentrate)

Copper—wirebar (per tonne) Lead—(per tonne) Zinc—(per tonne) Silver—(per kilogram)

MOUNT IBA OPERATIONS

Load ore treated (tonnes) 1 191 450 Total ore treated (tonnes) 3 434 493 Blister copper (tonnes) 66 110 Crude fead (tonnes) 57 870

Interest paid (net) SALES VOLUMES

concentrate)

PRICES RECEIVED

Copper ore treated

Crude (ead (tonnes)

from the corresponding period last year. How-

grade of ore mined, con-tained copper in ore milled showed an 8 per

cent increase. The 3 per

cent decrease in blister

copper production was caused by shutdowns necessary to meet envir-

The quantity of lead ore treated increased by 7.5

per cent over the pre-vious corresponding

perlod.

onmental conditions,

Transfer to trading

Bacture de la company de l

As anticipated, there is an interim dividend—the first payment since 1972—of 0.2211p net per 10p share, which is equivaper 10p share, which is equiva-lent to 0.33p gross. In a state-ment with the acquisition and rights issue, published at the end of last July, the directors fore-cast pre-tax profits of approxi-mately £80,000 for the year. On this basis a gross dividend of 1p would be recommended, payable as an interim of 0.33p and the as an interim of 0.33p and the balance as a final.

## Little change for Clifford & Snell

From turnover of £1.03m against £0.87m, profits before tax of Clifford and Snell, electrical and electronic engineer, improved from £95,375 to £97,724 in the half year ended September 30, 197S.

SECOND PROGRESS REPORT

24 Weeks to December 17, 1978

130 #91 11 523

142 414 15 387

27 089 (1)

1 609

65 687

76 133

2 343 578 1 108 050 3 451 628 53 300

189 437

(1) This amount includes the \$7 000 000 capital gain from the sale of

contributed to the 14 per

cent rise in zinc concen-trate production which

was also partly a result of

higher zinc grades and

improved recovery. The 3 per cent reduction in

crude lead produced

was primarily caused by

a planned shutdown of

smelter operations associated with the com-

missioning of the new lead smelter stack.

Silver in products was lower due to the silver

content of the ore mined

24 weeks to Dec 17, '78 Dec 18, '77 (\$000's) (\$000's)

1 437

24 766

52 303

NS 599

165 979

the M.I.M. shareholding in Thiess Holdings Limited.

(after allowing for Sachs) of months to November 30, 1978. The net interim dividend is £1.5m at the balance sheet date. rose from £6,806 to £44,352. lifted from 0.3123p to 0.3435p—
The Board now feels that the Additionally, the group derived last year's total was 0.635p from interests whereby they will sub

12 weeks to 12 weeks to Dec 17, '78 Dec 18, '77 (5000's)

95 863 71 002 6 091

77 099 7 491 12

11 291

846

10 445

34 771

40 235

96 509

being somewhat less

than that mined in the

New two-year industrial agreements were nego-

tiated with unions having

members employed by Mount Isa Mines Limited

and Copper Refineries Pty. Ltd. These agree-

of excellent industrial

ments should

INDUSTRIAL

105 485 73 582 7 812

14 241

13 520

22 137

36 515

82 206

721

## **DIVIDENDS ANNOUNCED**

•		Date	COLLC	1000	IULGI
	Current	of s	pondin	g for	last
	payment	payment	div.	year	year
African Lakes	4.4	_	9.54	4.4	3.524
Claverhouse	2.9	March 6	2.3	4.4	3.8
Clifford and Snell int.	0.34	April 27	0.31	_	0.64
Dewhurst and Partner	0.64	April 6	0.58	0.92	0.83
Excalibur Jwilryint.	0.29	April 30	0.26		0.53
Kunickint.	0.33 ‡	April 30	nil	_	nil
Stirling Knittingint.	0.35	March 30	0.35	_	0.75
U.C. Invs.§	28	April 6	20	42	30
Vibroplantint.		March 5	3.96		10.62
Dividende choum names y		net except	where	otherwi	se stated

\* Equivalent after allowing for scrip issue.
† On capital increased by rights and/or acquisition issues.

§ South African gross cents throughout.

## **Excalibur falls** at six months

October 31, 1978, is reported by Excalibur Jewellery. Turnover stood at £2.95m against

tax of (£244,513), earnings per 5p share are shown lower at 1.32p (1.55p). The net interim dividend is increased from 0.2634p to 0.2942p -last year's total payment was 0.5348p on pre-tax profits of

#### comment

While retail jewellers have been enjoying the benefits of the spending boom, UK manufacturers have been having a lean time, mainly due to the high level of imports flooding the market. Excalibur is no exception, with first half profits showing a 15 per cent downturn. The results also reflect lower sales of silver, items during the period, compared with the previous year's exceptional demand. While retail jewellers have been vious year's exceptional demand thanks to the Silver Jubilee. Apart from the imports problem, Excalibur is having to contend with fewer orders for watch bracelets (previously a major

A FALL in pre-tax profits from profit earner) mainly because £470,218 to £398,894 in the half-modern watches are now sold modern watches are now sold with matching metal straps. To take up the slack the company is widening its product range to include fashion items such as pendants and earnings, although competition in these fields will be severe. At 184p the shares yield a prospective 4.8 per cent.

## Stirling **Knitting** half-year

PRE-TAX PROFITS of Stirling Knitting Group rose from £197,000 to £204,000 in the half-year to September 30, 1978, on turnover well shead at £5.01m (£2.8m), After

(£102,000), earnings per 20p share are stated higher at 3.14p The net interim dividend is the same at 0.35p. Last year's total payment was 0.75p on pre-tax pro-fits of £380,379.

## African Lakes picks up in second half

ALTHOUGH TAXABLE profits shares to be issued by Mandala of the African Lakes Corporation over a five-year period.

This will result in the level of F761.336 in the second six months local participation in Mandala in the second six months local participation in Mandala in the second six months. of the July 31, 1978 year, the full year result, was lower at £1,204,912 compared with £1,247,229. Turnover rose £1.05m

At midway, the directors said that with an upswing in trading in the second half, it appeared likely that full year results would not be substantially less than the previous year's.

Stated yearly earnings in-creased from an adjusted 96.33p to 101.3p and the dividend is effectively lifted to 4.4p (3.52p) net. A one-for-five scrip issue is also proposed.

Attributable profits were higher at £869,913 against £637,191, after tax of £436.127 earnings per share are shown at 5.34.872 this time. scription agreement has been signed with local Malawian

scribe in cash for additional

REVIEW OF ASSETS

A major review of fixed

assets has been com-pleted and asset lives have been re-assessed

to take into account

maintenance standards

and other factors. The opportunity has also been taken to adjust the

values of other assets of

limited usefulness and to

review the changing

values of some explora-tion assets. This has resulted in an overall extension of asset life

and a consequent decrease in the annual de-preclation charges, in

historical cost terms, used in the published

accounts. The impact of this decrease on the results for the first 24

full year is expected to

be of the order of \$4

The asset register sys-tem now includes the

facility to incorporate estimates of current cost

as expert valuation. The

total fixed assets which

at balance date had an

historical accounting value of \$601 million be-

fore depreciation are estimated to have a current cost of \$1 204

OUTLOOK There has been further

improvement in copper,

lead and silver prices since the end of the

period and if present

price levels are main-

the results for the remainder of the year

better than for the first 24

weeks, thus marking

towards a more accept-

able level of earnings in

relation to total funds

R. B. BYERS SECRETARY

employed.

progress

zined it is expected that

local participation in Mandala steadily increasing from 16 per cent in the 1977-78 year to 49 per cent in the year to July 31, 1983. The group operates as a trader and planter of tea, rubber and other crops. It is also engaged in general trading and the motor

## Claverhouse

#### increase PRE-TAX REVENUE of Claver-

house Investment Trust rose from £582,958 to £684,565 in the year to December 31, 1978.
After tax of £221,745
(£200,257), earnings per 50p
share are shown to have risen to
4.43p (3.83p). The net final
dividend is increased from 2.3p Net asset value is 110.77p against 104.85p.

## Souza Cruz profits up

SOUZA CRUZ, the British American Tobacco owned American Tobacco owned Brazilian company which con-trols 84 per cent of the local market, announces profits of Cr 1.25bn (\$62.2m) for 1978, an increase of 17 per cent on the increase of 17 per cent on the Cr 1.06bn (353.2m), for 1977. Gross sales rose 42 per cent to Cr 47.25 bn (\$2.37m).

Profits for the period were adversely affected by a 53 per cent rise in overheads to \$450m

cent rise in overheads to \$250m against a previous \$294m. The cost of leaf tobacco took the heaviest toll. The average price per kilo paid to the \$5,000 planters with whom Souza works, rose by 46 per cent. But, the higher price has encouraged the planter to average the planter to the price planters to grow more tobacco, thereby ensuring a good crop in

The price of cigarettes went up by 44 per cent on January 1, which should mean better trading results by the year-end. Souza will purchase \$200m worth of tobacco leaf this year: 32 per cent more in volume and 70 per cent more in value than in 1978. cent more in value than in 1978.
Having started exporting tobacco eight years ago, Souza Cruz sold \$57m worth abroad in -20 per cent more than in

The company is one of the five largest cigarette manufacturers in the world with 300,000 sales outlets. It plans to invest some \$350m in the next eight years to meet rising demand.

### LOUIS NEWMARK

Louis Newmark's watch mer chanting operations are con-ducted on a firm sales basis, not a sale-or-return basis, as indi-cated in last Friday's comment on the interim figures, according to Mr. Geoffrey Newmark, the group's chairman.

### **PUBLIC NOTICES**

THE BURGOYNE COMMITTEE ON OFFSHORE SAFETY
The Secretary of State for Energy has recently announced the appoint ment of this Committee, with the following
lowing terms of reference:  "To consider so far as they are concerned with salety, the nature coverage and effectiveness of the
Department of Energy's regulations governing the exploration for and development and production of old
and gas offshore and their adminis- tration and enforcement. To co- sider and assess the role of the Certifying Authorities. To presen
its report, conclusions and recom- mendations as soon as possible."  The Committee needs factual inter-
mation, views and suggestions on the matters covered by these terms of reference.
Anyone withing to submit evidence should do so by 16 March, 1979. Submissions should be sent to Mr. David Pogson, Secretary, Ossbore
Room 1379, Thames House South,
O1 211-8527 or 4354) from whom further information about the scope

# Brentnall Beard reveals reorganisation details

Lloyd's of London insurance sidiaries, broker, Brentuall Beard (Hold-Net 1 ings), yesterday unveiled a com-balance plex series of deals carried out during its last financial year, and after, which have reorganised the group's Canadian operations. Mr. S. M. Elsbury, the group his annual statement that the reorganisation has been necessi-

tated by the losses in the Canadian operations. Canadian turnover dropped from C\$3.71m in 1976/77 to C\$2.35m in 1977/78 which left the group with sterling losses of £595,000.

There were substantial losses on exchange, "largely due to the depreciation of the CS by 23 per cent and of the U.S.3 by 13 per cent augmst sterling in the year. The sterling equivalent of the dollar losses amounted to £317,000. £317,000.

£217,000 net of attributable taxation relates to gains on sales of compared with a taxable profit interests in Canadian sub- of £1.12m.

from the disposal of certain interests in Canada.

As a result of the reorganisa-tion the group balance sheet has ion the group balance sheet has leen improved.

An extraordinary item of in group turnover—from £5.01m in £4.51m—and a loss of £526,188, ion relates to gains on £5.01m

Net tangible assets in the balance sheet have increased from £436,171 to £514,782 arising

But this increase does not reflect the effect of the acquisition of the outstanding minority interests in the Canadian holding company, which took place after the year-end—this reduces net tangible assets by approximately

fl17,000.

The directors' remuneration has increased from f86,245 in 1976-77 to f147,001 in the past year. In 1975-76 that figure was £123,563 for ten directors. Yr. Elsbury explains the latest increase: "During the past year we have brought on to our board additional director, namely, finance director ... and we also co-opted to the board the chief executives from Canada and our underwriting agencies.

end structural changes to group have been sent to she

Outlined is the reductiona holding company, Folk Insurance Holdings (which is ise renamed Brenthall Re (Canada)), in three operations of the subsidiaries; Desiauriers, Will and Associates, Brentnall Be and Associates and Folly Underwriting Managers.

Shareholders approval is sought at an extraording general meeting on February 1979 (at the Lion Hotel & Cop. Shrewsbury at 12.20 sometime after the reorgan

"Because directors and ex tives of group companies interested in the various to actions relating to the Canal reorganisation and because timetable for the reorganisa did not permit sharehe, approval before the reorgation had been effected, j approval is being sought at extraordinary general meetin

## Peak shareholders approve sale

An extraordinary general meeting of Peak Investments held in Stockport yesterday agreed, without dissent, to the sale of the electronics section of the business to the Irish company. Nissa. Proceeds will realise £650,000 but the indebtedness of £296,415 will remain with

Nissa is the newly registered Irish company in which Peak investments' chairman, Mr. John Finch, owns 56 per cent and Mr. John Bloice, managing director of Peak Electronics, holds 14

per cent.

Mr. Robert Dingle, managing director of Peak Investments, told the meeting that it had been stated that certain City institutions were "unhappy" about the deal. He pointed out that proxy votes totalled 1,410,908, with 272,459 against. He said: "We are satisfied that all our institutional shareholders are in favour of the proposals." The only questions were asked by local shareholders. Mrs. Sylvia Duckworth asked was the company not selling "blind" when the deal seemed to be

general based on figures produced as at last May. Secretary Mr. W. G. Peploc said there was not time to produce the accounts shead of the AGM in April, and Mr. Finch said there had been problems involved in the deal which prevented it going through

last year.

Mr. Finch said the company would receive "a considerable injection" of much needed cash which was sensible for the future development of Peak Trailers, which could move into smaller and more efficient premises. The three income-producing The three income-producing properties in Stockport would be retained as investments.

Consideration had been given to diversifying and the work-force had also been consulted with a view to helping the company become more efficient.

## Bootham optimistic

Mr. J. S. Rymer, chairman of include Bootham Engineers says in his result.

annual report that the dire remain reasonably optimabout the prospects for

They are continuing the pa of capital investment and have a programme of cap projects which can be sta either when they have resources to undertake then when the successful develops of a particular unit requestion additional capacity, he adds As known, pre-tax profits the October 31, 1975 year-from £581,952 to £681,193 the dividend is effecti increased from 4.6075p 5.145p net per share.

MANSON FINANC For the six months to Oct 31, 1978, pre-tax profits Manson Finance Trust £316,000, compared with £30. last time which included £5: from sale of Govern

securities. In the report on January the profit on sale of Govern included in the 1978 half-

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BIDS and DEALS

## Sheffield Brick acquires Parker Winder for £0.3m

The Sheffield Brick Group in the company when another Samuel Osborn Australia (Pty.), esterday announced its first Sheffield-based group, Raine Sydney, and ESC Tools (Pty.), gnificant acquisition since its arsh, acquired his 20 per cent ake in the company towards the id of last year.

a cost of £300,000 in cash plus further £40,000 which will be anded over after the Parker ecounts for the period to ebruary 3 are audited. The final figure will be equal

the adjusted net assets at ebruary 3. Finance for the equisition has been provided via term loan from County Bank. For the past few years heffield's performance has not een particularly inspiring with re-tax profits reaching a peak of 177,862 in 1973. In 1977 the full par figure was £145,000 and in ie first six months of 1978 the aterim pre-tax profit was £54,000. Mr. Marsh, a former chairman

! W. J. Reynolds, the Ford
otor distributor, has indicated
onat Sheffield is capable of better

flaings. He acquired his interest its two Australian subsidiaries

Sheffield-based group, Raine Engineering Industries, sold the stake it had built up during an unsuccessful bid for Sheffield

Tt has bought Parker Winder is a slight misnomer as the compared architectural ironmonger, dependent on its architectural dependent The Brick in Sheffield's name ironmongery business. Mr. Marsh late last year advertised for a possible acquisition in the architectural and builders' ironmongers and Do-It-Yourself" businesses. The Parker bid is the first

visible sign of any success of the advertisement. Parker made a advertisement. Parker made a loss of £80,245 in the year ended March 31, 1978. Following an internal re-organisation, pre-tax profit for the six months to September 30 was £1,258 according to unaudited management accounts. Turnover in the first half was £719,428 and net tangible assets totalled £336,831.

Sydney, and ESC Tools (Pty.), Melbourne . This will improve operating efficiency by consolidating management, administra-tion and other facilities.

#### BP pays £3m for Bristol Composite

One of the subsidiaries of British Petroleum, BP Capital, has agreed to buy a public but unlisted company, Bristol Com-posite Materials, for £3m in cash. The terms are 290p for each ordinary share and 315p for each convertible.

Morgan Grenfell, BCM's advisers, say the offer is fair and reasonable, and the Board, which owns 22 per cent of the ordinary shares and 10 per cent of the convertible, have agreed to the offer. Other shareholders, representing respectively 29 per cent and 41 per cent of the classes of shares have also accepted.

## Redland's U.S. purchase held up

roup, of Season-All Industries for Indiana has been put into beyance while a review and udit of the U.S. companies 1978 nancial results is completed. Redland is mounting the bid i conjunction with its 56.4 per ant controlled West German absidiary, Brass and Co. adland and Brass operate a

int U.S. subsidiary.
Sesson-All is a manunfacturer
f aluminium storm sereen ofits of \$480,000 on sales of 30.6m. In the previous year et earnings were \$1.8m on sales

> OLYMPIA AND YORK EVALUATING EPC

Olympia and York, the private anadian property company shich last week emerged as a openial bidder for English roperty Corporation, said esterday that it was "still valuating" the information

vallable on EPC.

A spokesman for Rothschilds, ze merchant bank advising 'ivmpia, said the company hoped to be in a position wards the end of the week to now which way it will be

ere suspended on Friday, long tussle with the Australian past six years.

xplained to its shareholders

esterday its reasons for refusing

On the bass of management counts the outturn for 1978 will be better than was anticited at the time of the rights assue of convertible lean stock

The current year has started rell, it added, despite the ndustrial difficulties which the ompany, in common with

ondary, an common with ndustry generally, is facing. For those reasons Dufay did tot recommend a general offer o shareholders of 50p, and ought the agreement of the reasury to the dividend pro-

osals in respect of the years .978 and 1979.

SHARE STAKES
British Syphon Industries—

. M. Anderson, deputy chairman, as reduced his beneficial nierest by 25,000 shares to

London Investment Trust-

). R. Jessel, director, has sold

0.000 shares.

ast September, Dufay said.

'amrex's 50p offer.

returned yesterday and closed at 47p—3p up on last week's final quotation and 1p up on the bid

wereldhave disclosed yesterday that by 3:30 p.m. last Friday acceptances of its original 37p a share offer had been received from the holders of 134,462 existing fully paid voting ordinary shares, the holders of 482 preference shares and the holders of £21,246,64 per cent convertible unsecured loan stock.

The latest Wereldhave offer document is expected sometime this week, when EPC directors will again write to shareholders.

SANDELSON SELLS

PART OF E & O
Mr. Victor Sandelson, stockbroker, has sold a tenth of his
11 per cent holding in English
and Overseas Investments, which
he sentined in the suturn of he acquired in the autumn of 1977 as a long term investment. English and Overseas, duce headed by Mr. John Bloom, is a former property company now reproduction

Mr. Sandelson, who was in the news last year with his bid for the London Pavilion property development site at Piccadilly Circus, bought 1.3m shares when which way it will be became a director of E and O and has now sold 120,000 "to meet personal financial committing of the property group versidhave last Friday, which has rejected as helps

72,000 shares on January 3 reducing holding to 803,181 (4.7

per cent):

Government now owns 72.7 per cent of Bushells Investments and the offer will be declared un-conditional on Monday.

CALEDONIAN SAYS WAIT

The formal bid document by Loudon and Midland Industrials for Caledonian Holdings is to be issued later this week, a spokesman for LMI said last

In the meantime, Caledonian's in the meantime, Caledonian's directors say they are continuing to consider the LMI bid and—although they were reluctant to identify them—"several other serious approaches."

They intend to make "a strong response" to LMI after the formal bid is amounced. In the meantime they advise

the meantime they advise Caledonian shareholders not to

EVODE EXTENDS SHOE SIDE

One of the subsidiaries of Evode, VIK Supplies, is extending its range of supplies to the shoe industry. It is buying a Northampton group, Charles A. Quinn, which manufactures stiffening materials and shoe finishers.

Its products are compatible with VIK's adhesives and coatings for the industry and extends VIK's position in the market winch has been established Brooke Bond Liebig after its two earlier take-overs in the

Dufay in better position Dufay Bitumastic, which has shares at 44 p on January 30. centry been in a big skirmish Proprietors of Hay's Wharf—nth Camrex (Holdings), Smith Trustee Company sold

minet Holdings—J. Wallrock, director, sold 50,000 shares at 160 p on January 30.

Group Investors—Sun Life Assurance Society, as a result of recent purchases, has increased its holding to 540,000 shares (\$13 per cent) shares (8.13 per cent).

Analgamated Estates — F.
Phillips, director, sold 25,000
shares on January 80. Holding
now 4,444,212 (27.5 per cent).

GRAMPIAN HDGS. SELLS FURNITURE SUBSIDIARY

Grampian Furniture, a whollyowned subsidiary of Grampian Holdings, has been sold to Goodtrade Supermarkets for £1,000.
Grampian says it has divested itself from this los-making subsidiary in order to deploy its resources more effectively. Over the past three years GF has interesting the superstant of the superstant curred losses totalling more than £0.6m, including £0.31m during

T. Cowie—F M. C. Bowes Lyon, At end December, 1978 GF's are of Strathmore and King-net tangible assets stood at about 10me, director, bought 10,000 f73,000 with its total debt

amounting to around f1.15m, including bank borrowings of

Goodtrade is to take on the Goodfrade is to take on the bank debt but ioans to Grampian by GF, totalling about £0.71m, are to be written down by around £0.53m. Goodtrade will pay £94.000 of the remainder on completion and the rest between 1980 and 1983.

Grampian will have a floating charge over GF's assets as security. The discharge of the bank loan and GF's initial payment reduces Grampian's borrowings by around £0.4m.

DAWNAY DAY On the retirement of Mr. Alan

Emery, the director in charge of developing the industrial investments, Dawnay Day, the merchant bank group, is to buy out his 10 per cent interest in Dawnay Day Industries.

The subsidiary has net tangible assets of £4m or so after adjusting for post balance sheet sales, and post tax profits before extraordinary items last year were film.

Mr Emery will receive £365,000; £115,000 in cash in June and £250,000 of unsecured loan stock on completion.

## Standard Life Pensions mixed

Strong growth in both the croperty and the mixed fund in value by over £5m from the six months to Novem the 15, 1978, is reported by itandard Life Pensions Fund. 2 price of this fund has more than deplied sizes the laurely in nember of the Standard Life Assurance Company. But the quity and fixed-interest funds emained somewhat static over he period.

The value of the Mixed Fund, a blend of equities and fixed-nterest, rose by £10m from 173.3m to £83.3m, with the unit price increasing by 2.5 per cent. The fund, which did not buy silts during the previous six is committedm to a further nonths, invested £600,000 at the £5.7m on developments over the and of July, £2.2m at the beginning of October and £3.7m in fund increasing steadily, the November when the prices were ow. The managers made steady purchases of equities during the period including £1.25m of U.S. equities in November.
At the end of that period, the

portiolio was split 38 per cent fixed-interest, 48 per cent UK equities, 13 per cent overseas equities and 1 per cent cash.

العنائع بالم

doubled since the launch in September, 1974. The managers report that the results of the fund's own developments are becoming apparent. The Aber-deen industrial estate is effec-

tively prelet and the schemes at Poole and Littlehampton are being let ahead of completion. The fund invested £2.3m in properties over the period and

next year. With the size of the managers are now able to consider larger schemes and will continue to look foor developments with particular emphasis on small town centre schemes. The Equity Fund remained unchanged in value at £4m, with one large withdrawal offsetting cash inflow over the period. There was a net investment of

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Capital Pixed Interest Portfolio
Income Fixed Interest Portfolio

£370,000 in U.S. equities and £101,000 in U.S. equities. The liquidity of the fund was run shares are issuable upon conversion of said Bonds will be adjusted pursuant to Condition 5(C) of the Bonds from 1188.7 Japanese Yen to 1080.6 Japanese Yen effective as of the close of business in Tokyo on Pebruary 20, 1979. down from 13 per cent to 2 per Dated: February 6, 1979

Interest fund fell slightly over the period from £1.9m to £1.5m.

**MINING NEWS** 

## A disappointing year for Comalco, but . . .

DESPITE A better demand for prices in international markets last year, the Australian market remained highly competitive. However, the Australasian Comalco—owned as to 45 per cent each by Conzine Rictinto of Australia and Kalser Aluminium -says that its primary metal sales recovered significantly in the final quarter.

While Comalco's 1978 sales rose by 26 per cent to A\$501m (£288m), consolidated net profits after increased exchange losses of A\$7.7m amounted to only A\$37.8m against A\$40.2m in 1977. The latest earnings per share amounted to 21.1 cents

against 21.4 cents.
Following the 1978 interim of
45 cents which did not apply to
the new shares arising out of
last year's one-for-four rights
issues, a final is declared of 6.5 cents on the increased capital. The total distribution is thus marginally higher than in 1977 when there was an interim of 5 cents and a final of 7.5 cents on the lower capital.

Comalco attributes its disappointing performance for the past year to adverse changes in market conditions for a number of the company's products, increased competition and the continued rise in costs.
What remains to be seen is

Virtually all sectors of the mining sharemarkets moved ahead yesterday in response to ahead yesterday in response to the strength of prices for both precious and base metals. Golds advanced across the board as the bullion price climbed \$131 to \$244f per-ounce. The Gold Mines index rase \$5 to 1814, its highest since mid-september.

Free market platinum prices also moved up to new highs of just over \$400 per ounce. Shares of South Africa's Rustenburg and Impala rose in sympathy as hopes were raised of a further increase in the windward' salles mise in the producers' seling price of

Shares of the copper pro-ducers were again from in the base-metal sections as the three months forward metal price advanced £441 more to over £1,000 per tonne for the first time since mid-1974. Rio Tiuto-Zinc put on a further 6p to a 1978-79 high of £845 while Palabora jumped 30p to

improvement in primary aluminium sales, which has also been noted in other metals, points to better conditions generally for Comaleo in the current year. Guidance on this

chairman, Sir Donald Hibberd in the annual report which is due to be sent out by March 28.

**UC** Investments to pay more

UC INVESTMENTS, the General Mining-Union Corporation com-pany with a portfolio of South African gold and platinum shares, today declares a final dividend of 28 cents (16.3p), bringing the total payment for 1978 to 42 cents, a declaive increase over the 30 cents paid for 1977. Mining-Union Corporation com for 1977.

The declaration is accom-panied by an announcement of sharply raised profits caused by the high level of dividends from the gold mines and the release of R1.7m originally provided for the writing down of investments Net profits for 1978 are R12.07m (£7.03m) compared with R7.24m in 1977. Income from investments rose to R9.8m

At the end of 1978 the invest-ment portfolio had a market and directors' valuation of R128.9m. against R103.4m at the end of 1977. This gave a net asset value of 652 cents a share. Yesterday UC Investments shares rose 5 to 265p in line with the general market trend.

## Copper recovery gives boost to Canadian mines

prices, which started last year and has markedly strengthened figures of Canadian mining groups, and opened up the possi-bility of bringing closed down facilities back into production. Bethlehem Copper has

announced a tripling of its profits for the 1978 final quarter and Sherritt Gordon Mines has reported that its 1978 earnings were the best since 1974, writes-John Soganieh from Toronto. Madeleine Mines, the McIntyre

unit, has meanwhile launched studies to examine the possibility of reopening its copper mine in the Gaspe district of eastern Quebec. The mine was closed down in 1976. Both Bethlehem and Sherritt have gained from the lower value

of the Canadian dollar. Mr. Bryan Reynolds, the president of Bethlehem, said that fully one third of the increase in his group's profits was due to this

In the final quarter of 1978. Bethlehem had net profits of C\$1.7m (£716,390), compared with C90.5m in the same period of 1977. For the whole year profits were CS4.4m (£1.85m), or 70 cents a share, against C80.9m, or 14 cents a share in 1977. Earnings were helped by the

operation of a new molybdenum recovery plant, but copper prices strengthened 32 per cent during 1978, and Mr. Reynolds expects continued market improvement into the early 1980s. For its part, Sherritt also benefited from higher prices for

cobalt. while operating costs were held at the Rutian copperzinc opencast mine. Net income for 1978 was CS15.7m (£6.8m), or 123 cents a share, more than three times 1977 earnings which were CS4.2m, or 33 cents a share. But this sharp increase was not solely because of metals. Fertiliser shipments were higher and so-

give Teck a 21 per cent holding Cultus Pacific, the Perth-based in Lernex, the copper-minerals and oil exploration commonlyhdenum operation which, pany, comments on the expanded through Rio Algom, is part of the Rie Tinte-Zine group. The merger also adds C322m in cash to. Teck's working capital.

**ROUND-UP** 

Gold production at West Rand Consolidated, the General Mining group producer, will be affected for at least three weeks follow-ing an accident at the Turk Shaft last Friday. Uranium production however, is not affected. The acci-dent occurred when the bridle of a loaded skip snapped, causing it to fall down the shaft. Four shifts a day are currently being worked to repair the extensive

The 1978 annual report of

activities, notably in oil and gas exploration. Funds raised via share placings now amount to \$A2.4m (£1.37m) and no further share issues are planned for the near future, it is stated. Company policy is to end up with around a 10 per cent carried free interes in the uranium, base-metal and diamond prospects.

Campbell Chibougamau, the Quebec gold producer, has started extracting and milling ore from a recently developed zone containing 133,000 tons of ore, grading 0.15 ounces of gold per ton and 1.12 per cent copper. The same zone has been contained to the containing the co firmed 175 feet higher and ex-ploration is continuing to develop a downward extension.

Inco is not yet out of the wood

reports a slightly improved net profit of U.S.\$10.1m (£5.1m), or profit of U.S.SIU.Im (25.1m), or 7 cents per share, for the fourth quarter of 1978, thanks largely to a favourable settlement of past tax issues and share sale profits. Without these benefits the group would have made a loss because of the strike, which continues, at its Sudbury opera-

Purthermore, Inco warns that Furthermore, Inco warns that current quarter's results will be adversely affected "to a significant degree" by strike costs, still depressed nickel prices and substantially increased interest and other charges relating to the company's nickel projects in Guatemala and Indonesia.

Total net earnings for 1978 come out at \$77.8m, or 77 cents per cshare, compared with \$99.9m in 1977. The past year's sales totalled \$2.08bn against \$1.95bn, of which the ESB electric battery were fertilizer earnings.

Shareholders of Yukon Consolidated Gold and Branzeda Subsidiary contributed 38 per Resources have approved the merger with Teck Corporation.

The effect of the linking is to

JUSCO CO., LTD.

To the Holders of

JUSCO CO., LTD.

6% Convertible Bonds Due 1992

NOTICE OF FREE DISTRIBUTION OF SHARES

ADJUSTMENT OF CONVERSION PRICE

Pursuant to Clause 7 (B) of the Trust Deed dated June 16, 1977 under which the above described Bonds were issued, you are hereby notified that a free distribution of Shares of our Company at the rate of 1 share for each 10 shares held will be made to

shareholders of record as of February 20, 1979.

As a result of such distribution, the Conversion Price at which

for 1977.
On the brighter side, the Sudbury strike which reduced 1978 nickel output by 35 per cent to 257m ibs also contributed to a reduction in the company's big unsold stocks of 111m lbs to

for 1979. Last year, the company made three payments of 20 cents and one of 10 cents, the total of \$70 cents comparing with \$1.25

Inco adds that during 1978, stocks of finished nickel held by producers in the non-Communist world are estimated to have fallen by over 200m lb to approximately 550m lb. This reflects a high level of consumption coupled with lewer production in the industry.

The pointers are thus to an improvement in the outlook for nickel producers as supply and demand come more into balance. But the recovery in their fortunes still looks like taking longer to develop than appears to be the case in other base-metals.

## VIBROPLANT HOLDINGS LIMITED

Business: Plant Hire Specialists INTERIM STATEMENT

HALF YEAR TO 30th SEPTEMBER 1977 5,374,271 4,384,262 Group Turnover Unaudited Profit 1,598,856 1,226,800 before Taxation Corporation Tax 52% 831,405 637,936 Group Profit 767,451 588,864 after Tax Cost of Dividend 176,880 142,560 (after waivers) Net .

The Directors have declared an Interim Dividend of 4.422p per share which together with the Associated Tax Credit is equivalent to 6.6p per share (1977 6p per share). The Dividend is payable to those shareholders on the Register at the 23rd February, 1979 and will be paid on the 5th March, 1979.

Registered Office - Prospect Road, Starbeck. Harrogate, North Yorkshire.

> February 22nd MAJOR CONFERENCE

## INDUSTRIAL DEMOCRACY

JAMES PRIOR MP

■ VISCOUNT ETIENNEDAVIGNON

LORD McCARTHY

SIR JOHN METHVEN

Apply: LONDON CHAMBER OF **COMMERCE & INDUSTRY** 01 248 4444 x 138/337

To the holders of .

BANQUE NATIONAL D'ALGERIE

Redeemable Floating Rate Deposit Notes due 1981

In accordance with provisions of the above Notes, American Express International Banking Corporation, as Fiscal Agent, has established the Rate of Interest on such Notes for the semi-annual period ending 30th July 1979 at 12½%. Interest due at the end of the interest period will be available upon surrender to any of the Paying Agents of Coupon No. 6. AMERICAN EXPRESS INTERNATIONAL

Dated 1st February 1979

BANKING CORPORATION

## Castlefield (Klang) Rubber Estate, Ltd.

Essued & Paid-up Capital: £300,000 in 10p shares Secretaries and Agents: terrisons & Crosfield, Limited

Part (1904) of	Closicia, Bilitica	
· · · · · · · · · · · · · · · · · · ·	Year ended 30,6,78	Year ended 30.6.77
PROFIT & DIVIDEND	£297, <del>98</del> 8	£312,791
Dividend for year  —pence per share  —absorbing	3.35 £100,500	3.30°
Excluding special nor  CROPS		
Rubber-kg .	2,436,723	2,707,974
Oil Palm Fruit-tonnes Reduction in crop due to drough	8,436 st conditions	9,617
PLANTED ACREAGE		
Rubber Oil Palms	<i>4,258</i> 2,713	4,584 · 2,510

We are pleased to announce the election of

> Brian R. Edgeley as Managing Director

Bache Halsey Stuart (London) Ltd. Plantation House Block A, Fenchurch Street

London EC3M 3EP England

We are pleased to announce the formation of

Allen Harvey & Ross Ehrlich-Bober London Dollar C.D. Partnership

which will commence trading effective 6th February, 1979, in certain Euro\$ Certificates of Deposit.

Allen Harvey & Ross Ltd. 45 Combill. London EC3V 3PB. (01) 623 4731 Telex: 888000

Ehrlich-Bober & Co. Inc. 80 Pine Street, New York City 10005, (212) 480 0755 Telex: 424178

Reuter Code AHCD

Brothers (Hong Kong Branch): 2907 Alexandra House, 16-20 Chater Rd., Hong Kong Selomon Brothers: One New York Plaza, New York, N.Y. 10004

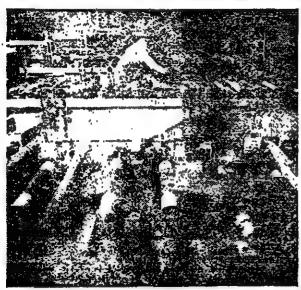
We are pleased to announce that RICHARD L GRAND-JEAN . Vice President

has been appointed General Manager in charge of our European Corporate Finance Department.

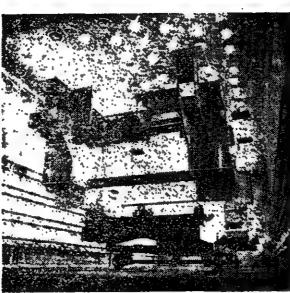
Salomon Brothers International

One Moorgate, London EC2R 6 AB, England

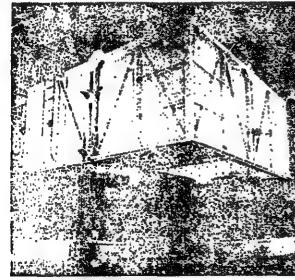
# small foundry going electric. Industrial efficiency is electric



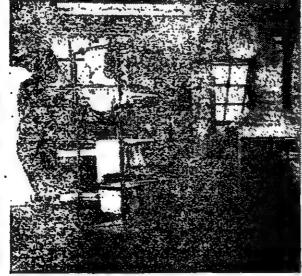
Electric vat heating gives Daly Condensers Limited. Weymouth, more economi anodising.



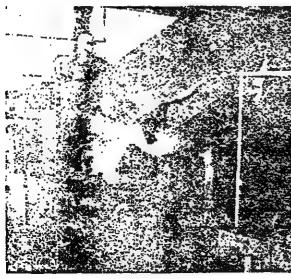
Blaw Knox Limited, Rochester, speed paint drying with electric infra-red oven.



Stainless Metalcraft Limited, Chatteris, cut heat treatment costs by 25% with electric LTM furnace.

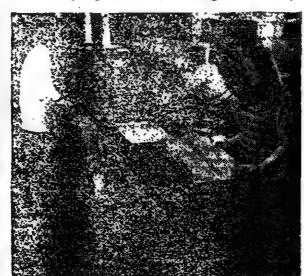


Supplementary steam raising by electricity saves £1000 a month for Textile Decorative Company Limited, Nottingham.



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increase your company's efficiency and profitability, get in touch with an Industrial Sales Engineer at your Electricity Board. Alternatively, write to The Electricity Council, Room 2R4, 30 Millbank, London SW1P 4RD for a copy of Electricity. Results on application', a new booklet of case histories.

The Electricity Council, England and Wales

## U.S. computer boom after two sluggish years

PLANT AND equipment spend-ing by U.S. industry has failed so far to play the role in the growth of the economy that Carter Administration officials had hoped but some sectors of the capital goods industry have heen enjoying boom conditions. One such is the computer in-dustry which is now seen as one of the brightest sectors even if the economy in general be-

The computer is beginning to ulay a more obvious role in the day-to-day lives of many Americans outside the office as well as within it, and some electrical stores are beginning

Home computers, whatever their future, are still only the fringe of the market and it is the mainstream of the industry which has been enjoying boom

statistics are not available—there is no computer industry trade association, for example-private estimates suggest that world-wide sales of U.S. computer companies grew by around 20 per cent last year and further gains of 13 to 15 per cent are predicted for 1979.

The picture can vary within differing segments of the market, however. The newly emerging mini-computer marhet, for example, is thought to have increased sales by around one-third last year. Similar gains are predicted for 1979.

The computer industry has in the past had disappointing experiences as a result of customers indulging in multiple ordering of equipment in an attempt to ensure that the one order they need is met. So there is an inclination to take a cautious view of current order trends. But there is little doubt that even if the economy slows the industry is not expecting a slump in demand.

An indication of the mood in the industry has come from the earnings statements of major companies in the past two weeks. International Business Machines, for example, the company which dominates the combusiness worldwide, reported that its fourth quarter earnings had increased by 27.2 per cent, a rise which was well ahead of forecasts from many of Wall Street's computer industry analysis. The fourth quarter results showed that IBM had joined the select band of companies which have earned over \$1bn in a quarter. For the year



sales by around one third last year

#### TOP U.S. COMPUTER COMPANIES

		4			Earnings	
Company	1978 ·	% gain	1978 net	% gain on 1977	per share S	
BM	21.7	16.2	3.1	14.4	21.29	
loneywell	3.5	21.0	0.201	39.0	9.4	
Burroughs	2.5	16.0	0.253	18.0	6.21	
Control Data	2.7	19.0	0,090	42.0	5.17	
perry Rand*	3.0	35.0	0.154	31.0	4,39	
NCRT	2.69	13.0	0.194	67.0	6,40	
Nine months figu						

† Excluding extraordinary item and gain from discontinued operation

\$21bn and net profit 14.4 per cent up at \$3.1bn.
IBM, noted for its sharp and management clearly not resting on its laurels announce a new range of medium - sized computers employing new technology 4300 models—which offer big improvements in data processing power at relatively lower prices.

as a whole IBM's sales revenues

were 16.2 per cent higher at

The new models which are expected to replace older models in its 370 line introduced in the 1970s, start at as little are \$65,000. Evidence of of just how seriously the data pro- cle ssing industry reacts to new IBM moves came immediately with two companies, a Greyhound subsidiary and DCL Inc. announced they were postponing a \$20m merger agreement

Mr. Frank T. Cary, the com pany chairman, reported that IBM had record order books and said that he expected purchases of equipment to continue at a high level. Other companies, Sperry Rand and Honeywell for

dustry follows two sluggish years in 1974 and 1975 when many major corporations cut capital spending and put into austerity designed to reduce costs and strengthen balance sheets overburdened with debt.

Now, however, the purchase computer equipment is clearly a priority for many is that the industry has been bringing out new equipment, particularly at the top and bottom ends of the range. Large, new and more powerful equipin order to gauge the impact of ment employing advances in IBM's moves on the market and technology and of course mini-on Wall Street the share prives computers or other computerof some IBM's competitors based equipment such as word

writers with memories and correction facilities—have been

attracting new buyers. attracting new buyers.

Industry analysts cite several reasons for the surge of demand. Mr. Stephen Dube analyst for Goldman Sachs, the investment bankers, for example, pointed out that the steady decline of the price of steady decline of the price of computer equipment has been a key factor encouraging demand. It is generally estimated that prices for equip-ment of equivalent power have been falling by around 20 per-

cent a year.

Another factor has been the growing pressure on management to operate more efficiently and reduce costs. The service concerned about low labour productivity and inflating wage companies have been among the most vigorous customers for new equipment. The emphasis is on new equipment which is the computer and this is a key factor in the growth of demand. Major companies such as

IBM, American Telephone and Telegraph, Western Union and Xerox are now planning for what is seen as the next revolution in the application of the computer to industry, the office of the future. The concept will include facilities linking data-processing equipment within companies so that, for example, internal company letters will not have to go through the U.S. mail system but will simply be transferred through private-lines linked with data process

ing equipment. While this is some years ahead, it is estimated that the future will be operating within major corporations by the middle of the next decade.

There is, however, no lack of new applications now and this re concerned about the trend in the industry towards the Outright sales improve cash flow and immediate profits and mean that a company does not in a currency depreciated by inflation.

There have been fears, how ever, that if carried too far this policy might mean that the future earnings prospects for the sake of current growth. Now, with both rental and outright sales revenues beginning to increase more rapidly at companies like IBM there is less anxiety on this point.

# THE CH SELL outlook for the Euromarkets

What is the practical impact of the European Monetary System? How is the financial community being affected by the gathering crises in Iran and other countries in North West Asia? After the recent dollar crisis, what is the future for international reserves?

These and many other questions will be examined and discussed at 'The Euromarkets in 1979', a Financial Times Conference to be held at Grosvenor House, London, on February 21 and 22.

The conference will be opened by an address by the Rt. Hon. Harold Lever, Chancellor of the Duchy of

Lancaster. Other speakers will include, Dr. Charles A. Coombs. Director and Consultant, First Chicago International Banking Corporation; Mr. S. M. Yassukovich, Managing Director, European Banking Company Limited; The Rt. Hon. Lord Chalfont, Director, IBM (UK) Limited; Mr. Norman Robertson, Senior Vice-President and Chief Economist, Mellon Bank NA; Dr. Klaus Wieners, Senior Vice-President and Chief Economist, Westdeutsche Landesbank Girozentrale. For full details of the agenda, and

registration procedures, complete

and return the coupon below.

THE EURO	MAR	VETS
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A FINANCIAL TIMES CONFERENCE

المعكدامن

#### NORTH AMERICAN NEWS

## Shearson buys estate broker

BY JOHN WYLES-IN NEW YORK

industry leader, Mcrrill Lynch, 140 offices in the U.S. Shearson with a diversification into real a estate brokerage and finance.

Shearson has reached agreement on a \$16.8m purchase of poration, a mortgage banking year with the purchase of a company based in Newport small Florida brokerage.

Beach, California.

The deal apparently has two major advantages for Shearson: diversification into mortgage finance through a company which currently services \$1.7bn in mortgages, and expansion of the company's securities brokerage services into areas where it currently has no representa-

Western Pacific has 27 offices in 15 western and south western states and the acquisition will \$1.8m or \$1.81 per share and blant the Shearson name for the first time in Georgia Tennessee, Maryland. Virginia, Idaho, Nevada and Utah.

SHEARSON HAYDEN STONE, Conversely, Shearson should one of the top ten U.S. be able to offer residential securities firms, is following mortgages through many of its plans to allocate \$5m of its \$140m capital to developing Western Pacific activities. The company took its first small step Western Pacific Financial Cor- into the real estate business last

> Merrill Lynch has so far been the pacemaker in Wall Street's expansion into the real estate business. It is negotiating to buy a number of brokerages around the country and last year bought a mortgage insurance company and two mortgage banking brokering and service ing businesses.

> In its fiscal year ending last June 30, Western Pacific earned

#### RESULTS IN BRIEF

## **GATX** moves into profit

NEW YORK—Rallway wagon experienced a sharp setback in manufacturer GATX Corpora- 1978, with earnings dropping tion experienced a turnround from \$3.03 to \$1.95. from a loss to a profit in 1978, showing net income of \$61.92m or \$3.84 a share against a loss in 1977 of \$3.61m or 42 cents a share. Last year's results were helped by a gain of \$11,34m from the sale of the Lasalle

Bank Building. An upturn in net earnings per share was reported by the paper products company Great Northera Nekoosa, with earnings up from \$3.84 to \$4.23. The savings and loan association First Charter Financial Corporation advanced from \$3.27 to \$3.55, utility New England Electric System moved ahead from \$2.51 to \$3.21, and Western Electric, vending and building mainten-a subsidiary of American Tele- ance fields, managed to push up

St. Joe Minerals Corporation Agencies

A Hydro 94
A Hydro 94
Aray 72 83
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Aray 82 83
Aray 82 85
Octdental 82 85
Ont. Hydro 82 85
Tuebec Hydro 82 83
Ten 94 88

| DEUTSCHE MARK | STRAIGHTS | SAME | SA

YEN STRAIGHTS

Change on Issued Bid Offer day week Yield

For the first six months of the current financial year, electrical goods maker Avnet Incorporated engines and locks manufacturer Briggs and Stratton moved up from \$1.06 to \$1.48, and conelectricals concern Tandy Brands edged up from 92 cents to 97 cents. Electronic Data Systems lifted earnings from 71 cents to 87 cents.

For the first quarter, ARA Services, the vending and food services company, reported an increase from \$1.31 to \$1.50.

Macke, which operates in the phone and Telegraph, saw net its income per share from 37 income rise from \$490,08m to cents to 45 cents over the first three months.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for, which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 5

## Bell appeal on Saudi contract ruling

By Robert Gibbens in Montreal

BELL CANADA, the major Eastern Canada telecommuni tions utility, will appeal direct to the federal government on the issue of whether profits from its Saudi Arabiau confract should be included in its earnings for rate-

Late last week the Canadian Radio-Television and Telecommunications Commission, the regulatory authority, refused to review an earlier decision that profits from the Saudi contract should be included. Bell has estimated that its profits from the fiveyear CSL lbn (U.S. 5935m) contract would result in total profits of C\$165m. The contract was won jointly with European equipment firms

for expansion of the Saudi telecommunications system and was worth over \$3bn. Bell said its only course now is a direct Government appeal. It said the CRTC decision was "short-sighted and not in the best long-term interest of Canada," Incinsion of revenues from such foreign contracts for domestic rate-setting purposes would remove incentive for Bell seeking further foreign work.

## **USI Europe** sold to Exxon

NEW YORK - National Distillers and Chemical Corporation has agreed in principle to sell its European low density polyethylene operations to Exxon Chemicals, a division of Exxon Cor-

The sale is expected to be completed by April 30. Cash proceeds after tax are estimated at \$39m.

\$\text{\$\frac{\text{8}}{\text{0}}\$ \quad \text{0} \quad \text{8d} \quad \text{Offer C. date C.cpn C.yld} \quad \text{83} \quad \text{04} \quad \text{86} \quad \text{98} \quad \text{99} \quad \text{12/7} \quad \text{12.44} \quad \text{11.35} \quad \text{33} \quad \text{7.7} \quad \text{99} \quad \text{97} \quad \text{21/7} \quad \text{12.30} \quad \text{32.77} \quad \text{97} \quad \text{57/1} \quad \text{12.47} \quad \text{12.30} \quad \text{32.77} \quad \text{97} \quad \text{57/1} \quad \text{12.49} \quad \quad \text{13.27} \quad \text{57/2} \quad \text{57/2} \quad \text{57/2} \quad \text{57/2} \quad \text{57/2} \quad \text{12.34} \quad \text{12.30} \quad \text{32.37} \quad \text{57/2} \quad \text{57/2} \quad \text{57/2} \quad \text{24/7} \quad \text{12.47} \quad \text{13.32} \quad \text{65/2} \quad \text{63} \quad \text{96} \quad \text{97} \quad \text{57/2} \quad \quad \text{27/7} \quad \text{12.47} \quad \text{12.47} \quad \text{12.57} \quad \text{50} \quad \text{57/2} \quad \quad \text{57/2} \quad \quad \text{57/2} \quad \quad \text{57/2} \quad \quad \quad \text{57/2} \quad \quad \text{57/2} \quad \quad \quad \quad \quad \text{57/2} \quad \quad \quad \quad \text{57/2} \quad \quad

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Arab Inti. Bk. M6.5 83 04
BFG Fin. Co. M5.5 83 04
BEC. Et Salvador M8 83 .74
BEC. Et Salvador M8 83 .74
BEC. Nac. Argnt. M8 83 .74
BEC. Nac. Argnt. M8 83 74
Benk of Tokyo M5-, 92 04
Banque Worms M5-, 85 04
Bq. E. d'Alg. M8.375 84 04
Bq. E. d'Alg. M8.375 85 04
Bq. E. d'Alg. M7.5 85... 04
Bq. I. Afr. Occ. M6.5 83 04
CCCE M5.25 98 ... 04
CCCE M5.

\* No information available—previous days price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rata Notes: Denominated in dollars unless otherwise indicated. MaMinimum coupon. C.dte Date next coupon becomes effective. Spread Mirgin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yid=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date= first date for conversion into shares. Cnv. price= Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of equiring shares via the bond over the most recent grice of the shares.

The Financial Times Ltd., 1979. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by Inter-Bond Services (a subaldary of detaSTREAM International).

The transaction calls for about \$44m to be paid in cash principally for the capital stock of USI Europe NV.

The transaction also will reduce National's consolidated debt by \$48m. debt by \$48m. AP-DJ

# \$607m sale by Ashland Oil

BY DAVID LASCELLES IN NEW YORK

Amarillo, Texas, to buy Ash- Rocky Mountain, Southeastern land's mid-continental oil and and Southwestern Properties to gas properties for a total \$340m. These lie mainly in Oklahoma, Texas and Ransas, and are esti- the sales. But there are still a mated to contain about 2m number of properties to be sold.

ASHLAND OIL, the large oil Oil of Los Angeles, which is to company which is selling off its buy interests in Ashland's prointerest in the North Sea's Brae oil and gas properties so as to perties in the Gulf of Mexico Field and 5.4 per cent in Thistle, concentrate on refining and off Louisiana and Texas, plus as well as properties in Indomarketing, announced further various support facilities, for

Petro Lewis for \$121m, Ashland its intention to develop domestic has so far rung up \$728m from rather than foreign energy barrels of oil and 740bn cu it mainly on the East Coast, as of natural gas. well as Ashland's foreign oil

nesia, Nigeria and Sharjah.

Ashland thus looks set to sur-pass the \$750m it said last oil and gas assets.

Although it too has interests in the North Sea and elsewhere

anti-trust suit, domestic com-petition is fiercer than ever, and

its move into electronic com-

munications brings with it the

possibility of government regu-lation of some of its activities. AT and T has been living with similar problems for many

years, but its 3m private share-

holders have long been thought

shareholders have long

been thought an asset in

fighting a protracted

anti-trust suit and dealing

with federal authorities

that figure this year. Getty Oil's domestic produc-For Tenneco, the largest company yet to have figured in Ash-

land's sales, the move confirms abroad, it has stated that it pected for some time to seek believes domestic oil and gas a home for its high cash flow.

These include a 6.3 per cent exploration and production to be relatively more profitable. Last year the company spent \$550m on oil and gas exploration and is expected to exceed

> tion has levelled out in recent years, and its acquisition may be an attempt to reverse that trend, particularly with the prospect of a loosening of U.S. domestic oil price controls. Mesa Petroleum is mainly engaged in exploration and production in the Gulf area. It had been ex-

a dividend increase, the com-

pany's stock has always risen on the day the split was announced,

and in eight of the last nine splits it has gained in the four-

or five-month period between

the announcement and when the

ssplit becomes effective. On the

week after it announced the latest split IBM's stock gained

By raising its dividend IBM has increased the yield on its stock from about 3.7 per cent to

4.3 per cent, which is less than

the 5per cent median yield on

private investor should rest mainly on growth potential, it may be that IBM, Dupont Mobil,

and equities in general, could also benefit from a more general

revival of equity investment,

which a cut in capital gains taxes passed by the congress last

In its last survey of stock-

holders the NYSE found that in

absolute terms the number of individuals owning equities had

fallen 18 per cent to 25.2m. Nevertheless, although institu-tions tend to dominate trading volume individuals in 1975

owned between 53.4 and 66.9 per

The individual share of total ownership has been declining

since then, but not as severely

\$600m more equities last year

cent of all stock.

year is hoped to achieve.

While its attractions to the

all dividend paying stocks.

New dollar issues top \$1bn

EUROBONDS

By Francis Ghilès

mark

THE \$100m bond offering for the Canadian Export Development Corporation (EDC) announced yesterday, and the \$75m issue expected for the Province of Manitoba tomorrow, will bring the volume of new dollar denominated issues currently on offer to over \$1bn, easily the highest figure since early 1977.

The EDC issue, which is being led by Credit Suisse First Boston, is being fully underwritten by the management group, which includes six other banks. Terms of this bullet issue, which are final, include a coupon of 9½ for five years and a price of 99½. The bonds will yield 9.38 per cent.

The \$75m 10 year bullet for the Province of Manitoba, which has been pre-underwritten, includes a coupon of 91 per cent. The pricing of the issue will take place tomorow and could be 991 or par depending on market conditions. Lead manager is Wood Gundy.

In the secondary market prices of dollar denominated issue were 1 to 1 of a point easier: this mark-down by professional traders was not the result of any selling pressure due to the dollar's weakness yesterday but more a psychological reaction to the very quick buildup of the new issue calendar over the past 10 days.

In the French Franc sector, the coupon on the FFr 200m issue for the Kingdom of Norway was cut by i to 91 per cent and the bonds were priced at par by the lead manager, Société Générale. The issue was more than three times oversubscribed and an estimated three-quarters placed outside France; it was especially popular with the Japanese. It is the first time since this sector of the market reopened last September that such a large percentage of an isue has been placed outside France.

Such internationalisation has been the aim of the French Treasury all along. Caution still prevails, however, and the gentlemen's agreement reached between the Treasury and the French banks last September remains in force: in particular, no single issue may top the FFr 200m mark.

In the Deutschemark sector, Thus the opportunity may be prices in the secondary market were unchanged in thin trading. expected to announce DM 100m issue for an unknown address, tomorrow.

In the Yankee bond market, the European Investment Bank has filed with the Securities and Exchange Commission for an offering of \$250m of notes. This bond will carry two tranches: a \$100m bullet seven-year tranche and a \$150m 20-year tranche with an average life of just over 15 years. The four joint lead managers are First Boston Corporation, Merrill Lynch White Weld Capital Markets Group, Lehman Brothers Kuhn Loeb and Lazard Freres.

## sales over the weekend totalling \$267m. The properties are secure of the Houston-based diversified energy company, is to join Mesa Petroleum of With the sale last week of its month it had been bid for its

The other sale was to Getty and gas interests.

MOTIVATION FOR SPLITTING STOCK

## A base for public support

has the largest number of a broader base of potential private shareholders of any public support IBM is still fight-U.S. company, three million, ing a 10-year old government

IBM STARTED IT, Dupont and decision by AT and T, which interview, is a desire to build Mobil also thought it a good idea and now many people are wondering if American Telephone and Telegraph will follow

On average every year around 170 New York Stock Exchange listed companies imitate the action of the amoeba by splitting their stock. The move, often accompanied by a dividend increase, has become so commonplace it often war-rants no more than a footnote to a chairman's statement.

But the process gains some significance when three of America's largest corporations, whose stocks are major investment items, decide within a few weeks of each other to split their stocks and thus to lower their market quotations and earnings-per-share figures.

Since IBM announced a fourfor-one split (if you hold one IBM share you will receive three more) in the middle of December, first Dupont (three for one), and then Mobil (two for one) have taken similar initiatives. Several other companies have announced plans to split their stock, but between these three important companies, at least, there appears to be a common thread.

### Stocks

This is a desire to increase much as possible ownership of their shares by private investors and thus to reduce. correspondingly, the proportion private shareholders that cur-IBM's move encouraged the and one implicitly supported market capitalisation for a which may not have escaped the proposed splits by Dupont and by Mr. Frank Cary, the comperiod after the announcement. board of AT and T, which meets Mobil and may prompt a similar pany's chairman, in a recent In IBM's case, with or without this mouth.

retailers posted strong sales gains in January compared with the year-ago month when bitter

and T's three million fierce rival for investors' an asset in fighting a similarly tention.

protracted anti-trust suit and dealing with federal regulators. Some analysts believe that

attention. This almost certainly appears to be one of IBM's main objectives. Since 1954, the computer giant has split its stock nine times, but the two-for-one division in 1968 was hitherto the

U.S. company, three million, and which might just worry about competition for share-

Few people need reminding that all the stock market's

glittering adjectives—glamour,

blue chip, growth—apply to IBM, and that a move which

slashes its market quote from 300-315 to 75-78 could make it

The most common reason

given for stock splitting

is the desire to build a

broader base of potential

public support . . . AT

holders' money.

But while IBM has been trading as low as 150.5 and as high as 316.25 in the last five dropped from \$33.90 to below \$30. The higher the price the less likely it is to be held by a significant number of private investors and the more it will be held by large institutions.

rently own its stock?

Retailers turn in higher sales

CHICAGO — Most major U.S. posted by four of the nation's the exception as sales dropped statiers posted strong sales five major retail chains, with 3.8 per cent from January 1978, ains in January compared with K Mart Corporation's 20 per the final month of the fiscal

another important factor for IBM is that, in 1978, its earnings per share climbed over \$21 and, says Mr. Harry Edelson of largest split, and the stock has Drexel, Burnham, Lambert, "in been left untouched since 1973, this age of consumerism it can Drexel, Burnham, Lambert, "in be embarraseing to report high earnings per share figures." Dupont was possibly reaching years, the price of the average a similar problem after a 46 per share traded on the NYSE has cent climb in net earnings to

\$16.15 per share.

Mobil, which says its principal motivation of its two-for-one Indeed, Salomon Brothers esti-split, was "to attract more indimate that households wisherd vidual shareholders," saw its earnings per share move into than they sold, the first net in-Why, then, should IBM want double digits for the first time crease in many years.

Thus the opportunity

A stock split accompanied by greater now than in many years a dividend increase more often for companies to capture more than not increases a company's individual investors. a fact

Sear's sales have dropped from year-earlier figures. AP-DJ

## Banco Brascan

moves ahead TORONTO - Brascan said earnings for Banco Brascan, its banking subsidiary in Brazil, totalled Cr84ru (around \$4m) in 1978, compared with Cr72m

## cent gain leading the way, year for most retailers. It was Sears. Roebuck, the nation's the fifth consecutive month largest retailer of general Sear's sales have dropped from winter weather over much of Sears. Roebuck, the nation's the fifth consecut the country weakened sales. largest retailer of general Sear's sales have dr Double-digit increases were merchandise, once again was year-earlier figures.

AMERICAN QUARTERLIES

Personal Property and Property	-			. 14	
H. F. AHMANSON			NORTHWEST INDUSTI	RIES	
Fourth querter	1978	1977	Fourth quarter	1976	1977
Revenue	270.3m	228.9m	Revenue	597.4m	530.2m
Net per share	29.65m 1.30	29.05m 1.28	Net profits	41 00m 1.34	37.95m
i Vans		884 7m	Yest	2.36bn	
Net profits	117.44m	103.59m	Net profits	150 5m	129.38m
Met per anare	5.13	4.55	Mer bei aunie imme	4,30	4.20
ALLIS-CHALMERS			RUBBERMAID		
Fourth quarter	1975 482.8m	1877 S 369.1m	Fourth quarter Revenue	1976 \$ 67.3m	1977 \$ 58.2m
Revenue  Wet profits  Net per shere  Year	17.00m 1.34	13.11m 1.08	Net profits	5.39m 0.69	4.51m 0.58
Revenue Net profits Net per share	1.76bn 76.02m 6.18	1,54bn 67,00m 5,52	Net profits Net per share	358.3m 18.98m 2.45	226.5m 16.89m 2.18
BOMDEN			SOUTHERN COMPANY		
· Fourth quertur	1978	1977	Fourth quarter	1978	1977 S
Revenue		\$ 890m 28.52m	Revenue Net profits	\$58.6m 35.6m	\$ 624.7m 40.3m
Net profits	1.04	20.52M 0.88	Net per share	D.25	0.30
Revenue	3.80bn	3 48bn	Revenue	. 2,9bn	2.7bn
Net profits Net per share	135.8m 4.19	126.9m 3.89	Net profits	201.6m 1.45	245.1m 1.95
BRANIFF INTERNATION	NAL		STANDARD BRANDS		
Fourth quarter	, 1978	1977	Fourth quarter	1978	1977
Revenue	260,9m	\$ 216.9m 12.0m	Revenue	689.9m	\$ 618.6m
Net per share	1Q.1m 0.51	12.0m 0.60	Net profits	23.42m 0.82	20.64m 0.72
Year			Year		2 1bn
Revenue	972.1m 45.2m	791.2m 36.7m	Net profits	75.80m	68.55m
Net per share	2.26	1.83	Net per share	2 68	2.44
BRUMSWICK CORPOR	ATION		TEXAS INSTRUMENTS	<del></del>	<del></del>
Fourth quarter	1978 S	1977	Fourth quarter	1978 S	1977 5
Revenue .,	302.8m 10.02m	\$ 256 7m 9.19m	Net profile	733.2m 39.81m	574.6m 32:13m
Net per share	0.46	0.46	Net per share		1.41
Revenue	1.13ba	1,00bs	Douge up	2.55bn	2.05bn
Net profits	46.86m 2.30	36,92m 1,86	Net per share	140,28m 6.15	7
IMASCO		1.60	UNITED BRANDS		
	4		Second quarter	1978	1977
Third quarter	1978 \$	1977 S		S	\$
Revenue	16.14m	14.62m	Net profits	831.4m 700,000	614.5m ‡5.65m
Net per share	,1.62	14.62m	Not per share Six months	0.02	t0.57
Revenue	1.2bn	\$25,6m	Revenue	1.62bn	1.19bn
Net profits	42.07m 4.23	32,36m 3,32	Net per share	200,000 0.08	†7.05m †0.75
		3.32	†Loss		
KNIGHT-RIDDER NEWS	PAPERS 1978	1977	WHEELABRATOR-FRYE	1978	1977
<b>8</b> 0		5	-	S	S
Net profits	242.8m 23.02m	210,4m 19,44m	Net profits	168.5m 9,13m	126.8m 6.93m
Net per aliara Year	0.70	0.60	Net prohts Net per share Year	0.93	0.85
Revenue	878.9m 76,76m	7\$1.7m	Rovenua	623.1m	482 1m 22 9m
Not per share	2.34	61.18m 1.88	Net profits Net per share	31.5m 3.26	22 YM 2 78
LONE STAR INDUSTRI			WINN'S STORES		
Fourth quarter	1978	1977	Fourth quarter	1973	1977

1978 1977 5 \$ 295.7m 241.0m 12.5m 7.94m 1.11 0.71

## This announcement appears as a matter of record only



# Cogefar Holding S.A. Luxembourg

US \$15,000,000 Medium-term Loan

Guaranteed by Bastogi Finanziaria S.p.A. Cogefar-Costruzioni Generali S.p.A.

> Introduced by. Banco di Sicilia

Managed and arranged by Banca Nazionale dell'Agricoltura Banco di Santo Spirito Banco di Sicilia Italian International Bank Limited

Standard Chartered Bank Limited Agent Bank

Italian International Bank Limited



December 1978

# The National Bank of Australasia Limited

Highlights from the Chairman's address

BANKS IN THE FINANCIAL MARKET

PLACE Monetary policy has been used extensively in recent years to regulate the economy. While recognizing the responsibilities of banks in the application of monetary policy, I firmly believe that the banking systèm has been overly restrained to the detriment of its ability to service the financial requirements of the community. From the point of view of the Government and Reserve Bank, it obviously becomes more difficult to implement economic policies through the banking system as the relative size of the latter declines. The danger exists in the long term that achievement of a given result will require the application of even stricter monetary controls, which in turn further disadvantages the banking system. This nexus can best be broken by ensuring that banks are not subject to undue restraint and are able to compete on an equal basis with other financial institutions, I am confident this can be achieved without hindering the application of monetary policy and that, in fact, it willactually enhance

its effectiveness.

INQUIRY INTO THE **AUSTRALIAN CAPITAL** MARKET

The National Bank believes there is considerable scope for freeing the banking system. We welcome the recent announcement by the Treasurer, Mr. Howard, of an inquiry into the Australian financial system. The terms of reference are sufficiently broad to cover all aspects of the financial market. The findings of the Inquiry will, I am confident, lead to the removal of distortions which have for so long prevented the banking system from playing its full role. BRIGHTER ECONOMIC OUTLOOK The outlook for the year ahead is for firmer growth

in economic activity. The

coupled with exchange

rate adjustments of the

helping to restore the

competitiveness of

Australian Industries.

A significantly better

R/A HADRIAN

U.S. \$45,530,000

Banque Européenne de Crédit (BEC)

Algemene Bank Nederland N.V.

Banque Canadienne Nationale (Europe)

Allied Irish Investment Bank Limited

Banque Européenne de Crédit (BEC)

Toronto Dominion Bank

Bergen Bank International S.A.

Dow Banking Corporation

The Mitsui Bank. Limited

outlook is also emerging

past year, is undoubtedly

decline in inflation.

for many of the nation's rural industries due to excellent seasonal conditions and greater price stability. The benefits will not only be felt by the rural community but will also have a positive impact on the economy as the year progresses. **AUSTRALIA-JAPAN** INTERNATIONAL FINANCE LIMITED The Bank continued to expand its international representation and activities during the year. A joint-venture finance company was established in Hong Kong in partnership with the Mitsubishi Trust and Banking Corporation, Tokyo. The new company, Australia-Japan International Finance Limited, will provide a range of financial services to corporations and governments on a world-wide basis. The company has made a successful start since commencing operations in December 1978. Melbourne, January 25, 1979 R. R. Law-Smith, Chairman

		· .	
SUI	MMARY OF A	CCOUNTS	
ţ	1978	1977	%
•	\$'000	2.000	Increase
Group operating profit Total group	46,258	42,708	8.3
assets Dividend per	7,417,672	6,512,403	13.9
stock unit	15.0c	14.5c	

This announcement appears as a matter of record only.

U.S. \$161,500,000

Both loans guaranteed by

NORSK GARANTIINSTITUTT FOR

SKIP OG BOREFARTØYER A/S

(Norwegian Guarantee Institute for Ships and Drilling Vessels A/S)

Managed by

**Hambros Bank Limited** 

Canadian Imperial Bank of Commerce

Westdeutsche Landesbank Girozentrale

Co-managed by

DG BANK Deutsche Genossenschaftsbank Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

The Royal Bank of Scotland Limited

**Toronto Dominion Bank** 

Provided by

International Commercial Bank Limited

Nederlandse Credictbank NV

Société Financière Européenne Finance Company N.V.

SFE Group

Union Bank of Norway Ltd.

Agent Bank

**Hambros Bank Limited** 

Landesbank Rheinland-Pfalz und Saar International S.A.

Bank of British Columbia

Banque Franco Allemande S.A.

Canadian Imperial Bank of Commerce

Banque de la Société Financière Européenne - SFE Group

Allied Bank and Trust Company (Bahamas) Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Banque Continentale du Luxembourg S.A.

VOLVO AND SAAB

## The old rivalry reaches a new pitch

BY WILLIAM DULLFORCE IN STOCKHOLM

THE RIVALRY between Volvo- long run, if not immediately. Saab-Scania, the two Swedish car and truck makers. has reached a new pitch after when the Scania truck division the breakdown of the Volvo announced that it would start Board's effort to sell 40 per cent assembling its trucks and buses of its company to Norway for in Morocco. Volvo already has Skr 950m (\$218m),

Last week Saab-Scania announced a 55 per cent profit increase for 1978, a Skrl a share dividend rise and a one-for-four Skr 131m rights issue at par. Added to the package was a one-for-four scrip issue and a stock split reducing the nominal share value from Skr 100 to Skr 50 each.

This compares with the 45 per cent profit improvement for 1978 and the unchanged dividend and the terms of its new issue and the stock split (putting the organising the shareholder Saab-Scania shares onto the resistance to Volvo's Norway same nominal Skr 50 as the deal. In fact, there has been no Volvo shares) have led to specuevidence that Dr. Wallenberg lation on the Stockholm stock stage-managed the shareholders' market that Saab-Scania is revolt, although he did speak out thinking of a takeover bid in the against the deal

At the week-end Saab-Scania made another aggressive move an assembly plant there. Scania's action looks sus-piciously like retaliation for Volvo's move into truck

Scania assembly plant has been

running well below capacity.

The background to the inflamed situation between the two Swedish groups is the merger which aborted in 1977 amid mutual recrimination and the widespread belief, to which Volvo's managing director Mr. announced previously by Volvo. Pehr Gyllenhammar, has indi-Saab-Scania beat Volvo to the cated he subscribes, that Saabmarket for its new share capital Scania's chairman, Dr. Marcus Wallenberg played a key role in

Stockholm stockbrokers yes. Norway deal would make any shareholders for more than terday noted the change in the such move by Dr. Wallenberg SKr 60 a share. two companies' share prices and Saab-Scania imprudent in since the failed merger of 1977. the near future. Both Mr. Then. Volvo shareholders were Gyllenhammar and Mr. Sten offered two Saab-Scania shares Gustafsson, Saab-Scania's manag-and a SKr 40 convertible bond ing director, rejected the

assembly in Brazil, where the

against a current Volvo share price of SKr 79.50. The stockprokers' conclusion is that Saab-Scania could now acquire Volvo considerably more cheaply than The situation is not, however

ripe for any such bid. The poli-tical passions aroused within the Swedish left-wing parties and trade unions by the share-holders' revolt against Volvo's

Following the breakdown of the Volvo/Norway talks, attention has focused on Volvo's depressed stock market rating and the failed merger with Saab-Scania.

In 1977 a proposed deal between the two companies valued Volvo shares at SKr 152 each compared with a present stock market value of SKr 79.50

for three Volvo shares. At curthought of a merger last week, rent prices this would work out But Saab-Scania is clearly dis-

at SKr 456 or SKr 152 per share playing its muscle.

Gylenhammar scheduled to visit some of his

institutional shareholders this week to discuss ways of meeting Volvo's capital needs after the collapse of the Norwegian agreement which would have brought in SKr 750m in new share capital. It would be share capital. It would be difficult for Volvo to emulate Sab-Scania by making a new a very small share of the rights issue. It could not ask market.

Institutional shareholders and stockbrokers are more interested in the possibility of a package of index-linked shares and debentures of the kind suggested by the Langenskioeld stockbroking house. Mr. Thomas Fischer of Langenskioeld estimates that Volvo could raise as much as SKr 360m in this

Saab-Scania is setting up its Moroccan truck and bus assembly plant together with a local company Cogespar SA, which will have a two-thirds which will have a two-thirds interest in the joint venture. Scania will put in SKr 6m as its part of the share capital and hopes to start assembling between 300 and 400 ventures a year in Morocco from autumn, 1980.

The Moroccan market absorbs about 2,000 heavy trucks and 300-400 buses a year. The main suppliers at present are Volvo and Renault with DAF holding

## **Finnish** steelmakers to merge

By Lance Keyworth in Helsinki THREE Finnish companies merge their steel interests to create a company of 5,000 employees with an annual turnover of FM 1bn (\$127m) including FM 400m in

exports. The three companies are Ovako Oy, Oy Wartsila AB and Oy Fiskars AB. Of combined iron and steel turnover Ovako accounted for FM 730m. The entire Ovako group, itself created by a merger, will join the new company when merger terms are finalised. Ovako makes long products and wire rod. The Wartslia unit is the Dahlsbruk steel works with which Ovako already has a marketing agreement. factories from Fiskars which produce nails, wire and steel castings.

 After two years restraint, Oy Nokla plans to make investments totalling FM 180m (\$45m) in the current year. The company's preliminary report for 1978 is optimistic about the prospects in the

R/A TRAJAN

U.S. \$115,970,000

The Tokai Bank, Limited

Bank Mees & Hope NV

Banque Nordeurope S.A.

DG Bank International

The Tokai Bank, Limited

January, 1979

International Energy Bank Limited

Midland Bank Limited

The Royal Bank of Scotland Limited

WestLB International S.A.

## Andresens' setback knocks stock market

BY FAY GJESTER IN NORWAY

Norway's fourth largest com-mercial bank, would be paying no dividend for 1978, came as a shock to many investors. The bank has paid around 10 per cent yearly since it was enlarged, in 1966, by its merger with Folkebanken Realbanken. The Oslo Stock Exchange has

back of around a tenth.

Market observers had long been aware that the bank was facing problems following considerable losses on a number of engagements, particularly shipping. It has traditionally been a large lender to the shipping sector. It was, in fact, the flood of rumours about its difficulties that led Andresens to release information on its 1978 results earlier than usual-" to prevent speculation," the bank said. Normally, the bank publishes

February. last published Andresens' interim report, for the first eight months of 1978, gave little

indication of the bank's problems. On the contrary, the interim statement reported pretax profits 21.6 per cent up on the same period a year earlier. No mention was made of losses that would have to be written

At the same time, however, the financial difficulties of Norinvest, a finance company in which Andresens was heavily involved lay at the centre of stock market speculation. Though only a 10.5 per cent shareholder in Norinvest itself, Andresens had a 45 per cent shareholding in Norsk Kausjon, one of four insurance companies belonging to a pool
To save Norinvest from bank-

nearly a quarter of the NKr 68m needed to permit its controlled Kausjon had to agree to shoulder on its own the guaran- and with a shipyard, Ankertee of responsibility formerly shared with the three other

companies in the pool.
In last week's announcement, Andresens said that the crisis in wegian business and industry generally, had obliged it to

probably accounted Norinvest

NEWS THAT Andresens Bank, its annual results in mid-ruptcy, Andresens had to put up concerned Andresens' involvement with the Waage shipping company, with a couple of heavy liquidation. In addition, Norsk enginering firms (Strommens Verksted and Strommen Staal)

> Under more normal condi-Andresens' statement would conceivably have led to shareholder selling. However, shipping, and the difficult the Norwegian market in bank economic conditions in Nor-shares is not "normal" at the moment because of the bankdemocratisation " law that took make extraordinarily large loss effect from January 1, 1978, write-offs last year—NKr 66m This law gives shareholders in (\$13m) in all. This represented banks the right to sell their a full year's pre-tax profit at the shares to the state before the bank. Andresens' gave no end of 1980. An impartial combank. Andresens' gave no end of 1980. An impartial com-details about how the losses mission is currently setting the were distributed among its official price for the shares of numerous investments, but Norway's 26 commercial banks. based on the value of each for about NKr 21m of the total. bank's shares during the years Other substantial write-offs 1975 to 1977.

> > Upturn in

sales for

Flachglas

By Our Frankfurt Correspondent

FLACHGLAS; the major

West German glass maker, has reported "satisfactory"

progress in 1978 despite the continued recession

demand from the construction

industry. Sales were up

largely thanks to high demand

A shareholders' note stated

the cash turnover increased

from DM 735m in 1977 to last

year's DM 765m (\$406.1m)---

a rise of 4 per cent. Despite the strong increase in the value of the D-mark against

from the motor industry.

## Phoenix ends mass market link

BY GUY HAWTIN IN FRANKFURT

PHOENIX GUMMIWERKE, match, the weak state of the the future, the immediate prosis to concentrate on producing technical products for the motor

group by increased competition from imported tyres from low wage cost countries in its Phoenixdomestic market. Gummi has not been alone in feeling the draught from abroad -both of its main competitors. Continental-Gummi and Metzeler, have also been under

In the background to the painful decision lies the failed merger attempt between Phoenix-Gummi and Conti-Gummi proposed last year. Mergers between the two concerus had long been discussed and, although such a move had

out of the mass-tyre market. It groups was not merely desir plant. The group's management is to concentrate on producing able but well overdue. 'has not yet publically quantified able but well overdue.

According to the Phoenix- these. manufacturers and industrial Gummi management tyre sales. Therefore, shareholders, who products.

this year will contribute be- have received nothing since a The decision is one that has, tween 10 to 12 per cent of total tore or less, been forced on the turnover compared with last year's well over 20 per cent. In 1978 the parent concern's total sales fell back by 8 per cent to DM 486m (\$260.4m), largely as a result of poor performance in

Among the things the group is to specialise in is tyres for commercial vehicles where its hard-earned" know-how should yield dividends. In doing so it will reduce its tyre output to between 2,000 and 3,000 units per day—a measure which, com-pared with 1975 figures, will re-duce turnover by some by some DM 150m a year.

Although the measures to put all the elements of a shot-gun the company back on a sound wedding as opposed to a love- footing will yield benefits for

West Germany's second largest tyre market seemed to indicate pects include heavy overheads tyre manufacturer, is pulling that a link-up between the two stemming from cuts in staff and

nominal 5 per cent dividend in 1975, should not build up too many hopes for 1979. However, the management believes that the new production programme is heavily "profit orientated" and no longer endengered by pressure from imports. order levels indicate that sales should move upwards and hopes are that the group will see 1979's figures once more in the

black, The 1978 earnings figures have still to be published. But with the new production programme in operation, should not prove much of a guide to 1979's performance. There is still much ground to

the dollar, exports as a pro-portion of sales rose from 1977's 16.3 per cent to 17.8 per cent. Despite indications of an upturn in the construction sector, deliveries to the building industry during the year fell back by 10 per cent, although targets were met lu the building renovations sector. For the third year in a row demand from the motor

> Further rationalisation. coupled with an increase in sales of high value products. led, once again, to satisfactory

industry continued at a very

operating profits.
Capital investment in 1978
amounted to DM 140m compared with DM 55m in 1977. During the course of 1979, the concern is to step up its activities in Brazil through its 50 per cent-owned subsidiaries operating in the window glass and safety glass sectors.

Degussa, the Frankfurtbased metals and chemicals concern, is recommending a dividend of 17 per cent, un-changed from 1976-77. The group's supervisory board is to put the year's proposed

#### Swiss move on negative interest rates

DEPOSITS of proceeds from the sale of Swiss securities by non-residents will be subject to an annual 40 per cent negative interest rate beginning next March 1, according to the Swiss National Bank, AP-DJ reports from Zurich.

A spokesman described this just a technical measure in connection with last week's vithdrawal of the investment ban for non-residents. Since January 1975 all Swiss-franc deposits by non-residents have been subject to the negative interest which is designed to prevent the inflow of speculative funds that has strengthened the

## **Volume of Euromarket** close to \$800bn

BY OUR EUROMARKETS STAFF

THE SIZE of the Eurocurrency markets on a gross basis reached nearly \$800bn by the end of September, 1978—a rise of almost \$150bn, or 23 per cent from one year earlier, according to latest estimates from Morgan Guaranty Trust Co. This expansion is about the same as the average annual rate of growth since the end of 1973, the bank reports. The net size of the market

had reached about \$450bn by last September, an increase of The definition of the gross size of the market is a representation of the total foreign currency liabilities on the books of banks in major market centres. In measuring the net size part of the interbank deposits in the market are netted out of the gross, in order to eliminate the double counting that results when the same funds move from one bank within the Euro-

currency market to another.

Morgan Guaranty notes that a large portion of Euromarket volume has a counterpart which is already counted in some countries' domestic money domestic money supplies. Thus, there is an extensive overlap between net Eurocurrency liabilities -- and domestic monetary aggregates.

high level.

payout to the annual meetingto be held here on April 6.

### **EUROPARTNERS SECURITIES**

## Joining Wall Street's most select club

EUROPARTNERS Securities sion into other forms of U.S. main route through which these Corporation, a joint venture of equity business, including the banks funnel their U.S. investsome major European banks, embryonic options markets. has just succeeded in joining what foreigners have regarded as the most exclusive club on Wall Street. It has become the first U.S. securities firm owned by foreign banks to become a member of the big board.

The firm acknowledges that 'quite significant' economies will be made as a result of NYSE membership. In addition, it will become a member af the exchange's clearance system. the Securities Clearing Corporation, which should result in savings in its back office opera-

EuroPartners primarily interested in gaining access to the common stock side of the NYSE business, member- which groups several Scandiship should also aid its expan- navian banks. The firm is the

EuroPartners itself, as well as the New York brokerage establishment, will no doubt be counting up the costs of this breakthrough into the inner

industry. EuroPartners indicates that the cost of its seat is " near the recent floor price "-generally regarded to be around \$70,000 in the last year or so. In contrast, a seat back in 1968 com-

manded up to \$500,000. EuroPartners' shareholders are Commerzbank, Credit Lyonnais, Banco di Roma, Bank Leu of Switzerland, and Nordic Bank Ltd., the latter being the London-based consortium bank

ment business into New York. both on their own account and that of their customers.

The institutional and investment trust business these banks administer means that Eurobastions of the U.S. securities Parmers sees large amounts of overseas investment business in the American markets. The firm is reluctant to comment on the exact volumes involved, but clearly volume is substantial.

The importance of such business can be gauged by the experience of the regional U.S. exchanges. For instance, up to 50 per cent of the volume on the Boston Exchange is reckoned at times to be generated by

foreign interest. EuroPartners move is the latest in a whole series of events which have opened up the U.S.

securities industry in recent years for foreign banks and

The first securities brokerage and investment banking firms owned by foreign banks were established in the U.S. in the 1960's, and become active members of the regional ex-changes, such as the Philadelphia. Boston, Midwest, and Pacific markets.

In 1975, Congress passed the Securities Reform Act which included provision that U.S. Securities Exchanges must accept as members any qualified U.S. broker or dealer firm including firms owned and controlled by foreign organisations.

The NYSE's action in approving for the first time the membership application of a foreign owned securities firm is the first practical outcome of the act.

## First-half profits increase for Commercial Banking

THE COMMERCIAL Banking THE COMMERCIAL Banking The directors have raised Company of Sydney earned CBCs interim dividend from more in the first six months than 6.5 cents a share to 7.5 cents, at has previously earned in any indicating an increase in the full year. Profit for the period 13 cents paid last year. The full year. Profit for the period main improvement was achieved jumped from A\$1.23m to in CBC's banking operations, A\$11.5m (\$U\$13.1m). This although the group also benefit-compares with earnings of ted from a return to profit by A\$7.18m in 1977-78 and the pre-

vious record of A\$10.75m Commercial and General Acceptanchieved in 1974.

Banking profits doubled from A\$5.52m to A\$10.9m which CBC attributed to a number of facincluding increased revenue from an improved assets structure, continuing close control of costs, improved systems for cheque clearance and a lower average level of statutory deposits lodged with the reserve bank.

## Rothmans boosts Australian earnings despite duty rise

BY OUR SYDNEY CORRESPONDENT

ROTHMANS of Pail Mail improvement (Australia) overcame increased the company said it was confi-dent that the result for the full December half, as a result of year would show a material severe increases last August in

The interim dividend is being excise duties on tobacco and maintained at 10 cents a share. spirits to register a 43 per cent Group turnover for the period gain in profit, from A\$2.69m to rose by 27 per cent from A\$3.9m (U.S.\$4.4m), -in the A\$162m to A\$206m. Rothmans December half year. Moreover, pointed out that the total

excise duty. The decline was more notable in the second quarter although there evidence of recovery by the end of the period.

Despite the downturn and vigorous competition, Rothmans sales rose both in terms of value and volume, indicating an increasing penetration of the market.

## Six months upturn at Brambles

BY OUR SYDNEY COMPENONDENT

boosted earnings by 16 per cent A\$5.9m 40 (U.S.\$7.8m) in the December half-year, despite increased The company said there was port and industrial operating costs and continued room for optimism with gradual operations of Brambles.

BRAMBLES INDUSTRIES the industrial unrest in many ladusmajor Australian transport and tries serviced by the group, materials handling group. The result was achieved on boosted earnings by 16 per cent an increase of almost 13 per A\$6.9m cent in sales from \$A105m to

improving trends being indicated during the six months resulting in increased utilisation of equipment. The group was now starting to benefit from the restructuring of the trans-port and industrial services

## Israel Discount Bank Limited Head Office: Tel-Aviv

Condensed Consolidated\* Balance Sheet as at 31st December, 1978. 1,295,339,000 Cash and due from Banks 41,157,000 15,252,000 Israel Government obligations ... • U.S. Government and U.S. Agencies obligations .... 159,937,000 551,236,000 499,169,000 Loans, Bills discounted and other accounts .... 373,328,000 Loans in connection with deposits for loan purposes Bank premises, other property and equipment ... 15,986,000 Customers Liabilities .... 23,108,626,00 67,813,000

Capital Reserves and Capital Notes including Minority Interest 1,799,000 2,082,801,000 Convertible Debensures issued by Subsidiary Company Deposits (demand, time and savings accounts) ... 545,684,000 Government, Banks and other Deposits for loan purposes Debentures issued by subsidiary. Liabilities on account of custon £ Sterling = 1£38:6577

Total number of Branches: 240

\*Including the Balance Sheets of Barciays Discount Bank Ltd, The Mercantile Bank of Israel

Ltd, The Israel Development and Mortgage Bank Ltd, Industrial Finance Bank, Discount Bank (Latin America), Montevideo and Israel Discount Trust Company, New York.

## Japan in record foreign lending

Japanese financial institutions made a record \$15bn in medium- and long-term loans to foreigners in 1978, about 31 times the previous year's level, Japanese financial

sources said. Lending in Eurocurrencies amounted to more than \$11bn, about triple the 1977 total. Loans in yen totalled nearly \$4bn, a five-fold

The sharp increase resulted

from stepped-up overseas lending by Japanese commer-cial banks seeking to expand international business and from easing of controls on such loans in mid-1977. Japan's overseas lending fell sharply after the oil crisis of 1973 amid international credit unrest, with the Finance Ministry imposing controls on Japanese banks. AP-DJ

## Upturn in Japanese results

TOKYO—Banks and brokerage houses headed the list of major Japanese businesses closing their accounts at the end of last September and reporting an average double-digit gain on their taxable income, the National Tax Administration agency announced. nounced.

based on tax repurns filed by 272 companies in 20 industries closing their books annually on September 30 and 177 others in 10 industries whose half-year accounts ended then.

The first group reported a combined total income of Y577bn, up by 12.4 per cent ever the previous year, and the second group Y805.3bn, up by 15 per cent over the prior six-month period, the agency said. AP-DJ

## IDB dividend unchanged

By L. Daniel in Tel Aviv

ISRARL'S Discount Bank, the country's third largest bank, will pay an unchanged cash dividend for 1978 of 30 per cent and also plans a 3-for-10 serio issue.

income of the bank in 1978 —including its subsidiaries, Barciays Discount, the Mercantile Bank of Israel, the Israel Development and Mort-gage Bank, the Industrial Finance Bank, the Discount Bank (Latin America), Monteand Israel Discount Trust Company, New York-came to 15421m (\$24m), compared with 12257m a year

SOUTH AFRICAN NEWS

## **Highveld Steel reverses** decline in performance

BY JIM JONES IN JOHANNESBURG

reversed last year's profit downturn of Highveld Steel and

Vanadium Corporation. In the six months to Decem- of earnings, meaning that first tion over-capacity.

improved export demand for R120.9m, a 54 per cent increase other operations were only 10.9 manganese and silicon ferro- over the comparable period of per cent ahead of 1977. solidation of ferro-silicon pro- by 27 per cent to R12.5m markets for oil pipelines in ducer Rand Carbide have (\$14.4m).

Reversed last very's profit.

HIGHER STEEL export prices, ber 31, group turnover was half carnings of Highveld's

But the going has not all Union, Highveld's vanadium been easy for Highveld. Rand Carbide contributed 13 per cent world-wide vanadium produc-

#### AFTER SEVERAL years of huge losses, Folex Industries Berhad, the second biggest leva

Modest

comeback

staged by

Folex

tile company on the Kuala Lumpur exchange, has managed to make a modest profit for the year ending last August. Operating profit, before tax extraordinary items, was

858,000 ringgits (8390,000). compared with a loss of 3,27m ringgits the year before. Total sales rose by 26

cent to 35m ringgits, with the second half particularly favourable, both in terms of sales and

Chairman Chan Tak Chemig said that profitability was experted to be maintained, but added that the company's prob-lems were far from over. Because of accumulated amounting to over 30m ringgits, Folex has no choice but to submit to schemes of reconstruction arranged by its creditors. Details of the reconstruction would be disclosed at a general meeting to be called, but the aim is to improve its net asset value and the debt to equity

## Coastal fishing limit improves turnover at Irvin and Johnson

BY OUR JOHANNESBURG CORRESPONDENT

IMPLEMENTATION OF a 200mile fishing limit around South sidiary. Africa's coast 15 months ago is

owned Anglovaal group sub-sidiary.

Group turnover for the period

Rationalisation of I and J's starting to improve perform-ances of the country's fishing compared with R75.1m for the companies. This is one indica-comparable period of 1977. This companies. This is one indica-tion of the results for the six months to December 31, 1978, of fish and frozen food manu-facturer Irvin and Johnson few foreign trawlers now

food processing division is starting to make itself felt. Attributable first half earnings have more than doubled to R2.68m (R1.33m in 1977-78) and of fish and frozen food manu-processed food market. With management expects facturer Irvin and Johnson few foreign trawlers now half earnings to at let (I and J), the 57 per cent operating within 200 miles of those of the first half. management expects second half earnings to at least match

This announcement appears as a matter of record only

## Petro-Canada Exploration Inc.

## Petro-Canada U.S. \$1,250,000,000

Cumulative Redeemable Floating Rate Preferred Shares

Managed by The Royal Bank of Canada

Underwritten by The Royal Bank of Canada

Canadian Imperial Bank of Commerce The Bank of Nova Scotia

Provided by

The Royal Bank of Canada Canadian Imperial Bank of Commerce The Bank of Nova Scotia Bank of Montreal Toronto-Dominion Bank

Banque Canadienne Nationale Bank of British Columbia Provincial Bank of Canada

The Royal Bank of Canada

November, 1978

This announcement appears as a matter of record only.

January 30, 1979

\$50,000,000

EMI (US) Corp.

93/4% Notes due December 31, 1993

Unconditionally guaranteed by

## **EMI Limited**

The undersigned arranged the private placement of the above Notes with institutional investors in the United States.

Smith Barney, Harris Upham & Co. Incorporated

\$65,000,000

## Celulosa Puerto Piray s.A.

REPUBLIC OF ARGENTINA

Medium-term Euro-dollar loan guaranteed by Banco Nacional de Desarrollo

FINANCING MANAGED BY:

Morgan Guabanty Trust Company of New York, Agent

FUNDS PROVIDED BY:

Morgan Guaranty Trust Company of New York

DEUTSCHE BANK

Compagnie Financière Luxembourg

SUDAMERIS INTERNATIONAL BANKING CORPORATION

THE ROYAL BANK OF CANADA

THE BANK OF TOKYO, LTD.

Union Bank of Switzerland

This announcement appears as a matter of record only.

## World Value of the Pound

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S.7125

5,40k-4g) 1,0

841.68 16.480 1.245 (eg) 157.0 0.5840 1.00 38.550 1.675 (e

1,7576 72,553

Market rates are the average of buying and selling rates except transaction without reference to where they are shown to be otherwise. In some cases market an authorised dealer. rates have been calculated from

10,075

8,5225 158.45

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Place and Local Unit

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The table below gives the those of foreign currencies to the sterling area other than (P) based on U.S. dollar partities latest available rates of exchange which they are tied.

Scheduled Territories; (k) and going sterling dollar rate; (Bas) basic for the pound against various

Exchange in the UK and most Scheduled Territory; (o) official rate; (cm) examples of the sterling area other than (P) based on U.S. dollar partities. for the pound against various currencies on February 5, 1979, in some cases rates are nominal.

Market rates are the average of market rates are the average of annulcable to any particular of the UK and most scheduled Territory; (0) officially rate; (T) tourist (an) convertible rate; (fn) converti

mate rate no direct quotation seen lately in the foreign available; (sg) selling rate; (bg) exchange market. Eates in the buying rate; (nom.) nominal; table below are not in all eases (exC) exchange certificate rate; elosing rates on the dates shown.

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"That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. † Rupeos per pound. † General rates of and iron exports 83.56. † Based on cross rates against Russian rouble. Transfer Market (controlled). †† Ruse is now based on 2 Barbet to the dollar. †† Now one official rate. (U) Unified Rate. Applicable on all transactions, accept countries beying a bilateral agreement with Egypt, and members of IMF.

## Foreign exchange. We deliver. Competitively. Test us.



## **Union Corporation Group U.C.** Investments Limited

(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT

The income statement for the year ended 3 shows:—	ist Decemb	er, 1978,	
Income from investments	1978 R000 9,844 585 1,700	1977 R000 7,190 317	Sh Mi
From which must be deducted:  Directors' Fees Provision for writing down investments Interest paid on unsecured loan Other expenditure—net	30 17 24	30 150 16 68	
Profit before taxation	71 12,078 — 12,078 356	7.243 2 7.241 315	Di
AYAILABLE	12,434	7.556	28 Wi

The Balance Sheet at 31st December,	1978, show	<b>75:—</b>
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		6.669
		2,920
Loan Portion of Taxation	28	. 375
		37,211
Deduct: Current Liabilities	5,553	3. <b>9</b> 55-
	37,144	33,256
	The Balance Sheet at 31st December,  Share capital and reserves  Mineral rights and prospecting expenditure, at cost, less recoupments and amounts written off  Investments: Listed Shares (Market value R123,462,000: 1977—R82,560,000)  Unlisted Shares (Directors' Valuation R3,491,000: 1977—R20,917,000)  Debtors and Cash Assets  Loan Portion of Taxation  Deduct: Current Liabilities	Share capital and reserves 37,144  Mineral rights and prospecting expenditure, at cost, less recoupments and amounts written off 1  Investments: Listed Shares (Market value R123,462,000: 1977—R87,560,000) 34,252  Unlisted Shares (Directors' Valuation R3,491,000: 1977—R20,917,000) 2,725  Debtors and Cash Assets 5,661  Loan Portion of Taxation 58

The Directors have declared a final dividend for 1978 of 8 cents South African Currency per share which, together rith the interim dividend of 14 cents per share declared in July last, makes a total distribution for the year of 42 cents per share absorbing R8.190,000 (1977—R5.850,000).

DECLARATION OF DIVIDEND A Final dividend No. 31 of 28 cents per share in respect of the year ended 31st December. 1978, (making a total of 42 cents per share for the year) has been declared payable to members registered in the books of the Company at the close of business on 23rd February, 1979. The dividend is payable in South African currency. Registered Members with payment addresses in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Registered Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency: the date for determining the rate of exchange at which

London Transfer Office Granby Registration Services. Granby House, 95 Southwark Street, London, SEI OJA. 5th February, 1979.

South African currency will be converted into United Kingdom currency will be 13th March, 1979. Such Members may, however. elect to be paid in South African currency provided that any such request is received either at the Registered Office or the London Transfer Office on or before 23rd February, 1979. Dividend warrants will be posted from the Registered Office and the London Transfer Office on or about 5th April, 1979. The register of members of the Company will be closed from 26th February, 1979 to 2nd March, 1979, inclusive.

The dividend is payable subject to conditions which can be inspected at the Registered Office or at the London Transfer Office of the Company.

> per pro, UNION CORPORATION (U.K.) LIMITED. London Secretaries. L. W. Humpbries. Princes House, 95 Gresham Screet, London. ECZV 79S.

## Dollar weaker

most currencies in yesterday's active trading the U.S. unit fell foreign exchange market and on fears of reduced oil output finished on or around its worst from Saudi Arabia and the conlevel for the day. Against the tinuing uncertainty in Iran. In D-mark it closed at DM 1.8850 later trading it fell further to after an explier level of DM 1.8840 at the close.

DM 1.8850 and Friday's close of DM 1.8850. Similarly the Swiss frame improved to SwFr 1.6800 MILAN — A sharp turnaround from SwFr 1.7080, while the by Iran from the U.S. was seen as one of the main reasons for the dollar's decline. The market was also nervous over the con-tinued political uncertainty in Iran and the possible cuthack in

oil supplies.
Using Morgan Guaranty
figures at noon in New York, the
dollar's trade weighted average
depreciation widened to 8.1 per

he close. This was reflected in its trade-weighted index which finished at 63.3 from 63.4 on Friday, having stood at 63.4 at moon and in the early dealings. Dealers were quick to point out that sterling's apparent lack of movement was mainly due to dollar weakness. This was seen against the D-mark, which rose to DM 3.7125 from DM 3.7350, as did the Swiss franc to SwFr 3.3650 against SwFr 3.3850. The pound opened at \$1.9890 against the dollar and eased to \$1.9780 before improving to \$1.9905 in the afternoon. It closed at \$1.9390-1.9900, a rise of 95 points from Friday's close.

NEW YORK—After its poor performance in European centres, the dollar continued to decline in rather heavy trading. Against the D-mark it fell to Day 1 \$863 from DM 18863 on the firm transport of the firm the same of the same o Against the D-mark it fell to DM 1.8653 from DM 1.8663 on Friday while the Swiss francimproved to SwFr 1.6900 from SwFr 1.7070. Sterling was also firmer at \$1.8385 compared with \$1.970 and the year \$1.970 a \$1.9795 and the yen firmed to Y199.80 from Y201.55.

FRANKFURT—The dollar was market totalled \$440m, with fixed at DM 1.8726 yesterday, forward trading at \$161m, and compared with DM 1.8847 on swap dealings accounting for Friday, and there was no inter-

Japanese yen was stronger at the dollar yesterday as it fell Y199.80 compared with Y201.40 L4 to L843.45 at the fixing. Conpreviously. The probable cantellation of huge defence orders in Iran appeared to be the cause of the decline. Other major cur rencies showed a firmer trend against the lira, with the D-mark at L450.11 from L449.72 and the Swiss frame at L496.61.

PARIS - Trading was described as very active yesterday and the dollar showed a sharp fall against the French franc to dollar's trade weapon of taking and together with the Iranian situation and the sharp rise in gold, find its own level.

Sterling traded steadily for most of the day, but showed a slightly weaker tendency towards support.

tion and the sharp rise in gold, the U.S. unit weakened considerably despite central bank support.

ZURICH - In line with its performance in other centres, the dollar showed a sharp decline in early morning trad-ing. The U.S. unit came on offer after the cancellation of sizeable defence purchases by Iran and reflected the gain in the price of gold. The U.S. unit was quoted at SwFr 1.6970 compared with SwFr 1.7062 earlier and DM 1.87171 from DM 1.8835.

AMSTERDAM - The dollar was fixed at Fl 2.0210 yesterday, down from the previous fixing level of Fl 2.0340.

its firmness was attributable to commercial demand for import settlements. However, during the afternoon the situation was reversed with the dollar coming on offer and easing to its clos ing level. Trading in the spot

THE	PC	עאטכ ָ	PUI	ļ
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FORWARD AGAINST £

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## THE DOLLAR SPOT AND FORWARD

Feb. 5	Day's spread	Close	One month	p.a. Three months	p
UN Instand Canadat Nethind. Belgium Denmark W. Ger Portugal Spain Italy Norway France Sweden Japan	1.8780-1.800 1.8780-1.9935 13.38-31.58 2.0125-2.0155 23.34-35.55 5.1660-5.2105 18.648-1.3850 17.33-41.75 18.570.85 18.20-847.30 5.1200-5.1610	1.9890-1.9900 83.53-83.56 2.0125-2.0145 29.34-29.36 5.1660-5.1685 1.3648-1.850 47.33-47.40 69.55-69.60 842.20-842.70 5.1220-5.1240	5-4c pm 0.30-0,80ore dis 1.00-0,95pf pm 27-37c dis 30-52c dis 1.70-2,10kiredis 0,70-0,70ore pm 7.80-0,90c pm 0.85-0,45ero pm 1,55-1,45y pm	6.85 3 92-2.97pt pm - 10.98 50.115e dis - 8.47 1.10-1.30c dis - 2.85 4.75-5.25trd dis 1.00 2.25-1.85ere pm 2.97 2.72-2.57c pm 1.75 2.30-2.10 tree pm 8.57 4.16-4.00y pm	6.5; -6.5; -8.9; -2.4 2.0; 2.6; 8.0;
Austria Switz.	17 65 17 90		6.50-6.75gro pm 1.00-0.90g pm ta per Canadias	10.02 4.33-4.29c pm	m 5.1; 10.2

CURRENCY	RA	res	CURRENCY N	NO A EMITIM 12
Rebrutary 2	Special Drawing Rights	Unit of Account	February 5	Bank of Morgan England Guarant Index changes
Sterling U.S. dotlar U.S. dotlar Austrian schilling Belgian franc Dunish krone Deutsche Merk Guilder Franch frone Lira Yan Norwegian krone Paseta Swedish krone Swedish krone Swiss franc	1.27784	0.57224 1.33276 1.59797 18.4038 39.5437 1.5452 2.51626 2.71484 5.77353 1130.35 289.467 1.0001 93.3547 5.88976 2.28990	Staffing U.S. dollar Canadian dollar Austrian schriling Beignan franc Danish keone Deutsche Mark Swiss Irane Guilder Franch Irane Lira Yen Basad on trade woll Washington agreem (Bank al England In	84.52 - 8.1 78.55 - 18.9 146.86 + 19.3 114.84 + 15.3 119.16 + 7.8 149.88 + 41.8 193.16 + 81.3 124.76 + 20.9 95.58 - 5.9 54.16 - 48.2 144.76 + 43.2 photol changes ingent December, 18.

#### OTHER MARKETS

Feb. 5	. 4	5		Nave Wates
Argentina Peso	2,100-2,120	1055-1065	Austria	26.75-27.75
Australia Dollar	1.7546 1.7595		Beigium	5P-60.
Brazil Cruzeiro	42.59-43.69		Denmark	
Finland Markka	7.891: 7.9014		France	8.48-8.56
	71.677-73.489		Germany	3,65.3,78
Hong Kong Dollar		4.7850.4.7950	Italy.	1,560-1,710
Hong Kong Doller	151.50-151.50	761s-811e	Japan	395 405
Kuwait Dinar KD	0.540-0.550	0.2714.0.2764	Netherlands	3,98 4.08
Luxembourg Fre.			Norway	10.15-10.25
Malaysia Dollar	4.380-4.395		Portugal	90-99
New Zealand Dir.	1.8875-1.8935	0.9487-0.9517	Spain	139.75 144.7
Saudi Arab. Riyal	6.69-6.72		Switzerland	3,80 5,40
Singapore Dollar.			United States	1,9850 1,99
Sth. African Rand	7.8 100 7.38 (8		Yugoslavia	41.48

#### **EXCHANGE CROSS RATES**

Feb. 5	Pound@terling;	U.S. Dollar	Deutschem	Japan'se Yen	FrenchFranc	Swim Franc	Dutch Guild'r	Italian Lira	Canada Dolla	r Beigian Frans
Pound Sterling U.S. Dollar	0.508	1.990	3.713 1.865	398.0 200.1	8.528 4.284	3.566 1.691	4.005 2.013	1675. 842.0	2.381 1.197	58.35 29.53
Deutsche mark Japanese Yen 1.000	0.269 2.513	0.556 4.989	9,498	100u.	2.296 21.41	5.406 8.455	1.079 10.05	451. <b>3</b> 4209.	0.641 5.982	15.72 146.6
Prench Franc III Swills Franc	1.178	2.356 0.591 ·	4.556 1.105	467.0 118.3	2.523 . :	3.948 - 1.	4.888 1.190	1966. .497.6	8,794 0:708	68.47 17.54
Dutch Guilder Italian Lira 1,860	0.250 0.597	0.497 1.158	0.927 2.216	99.38 237.6	1 128 5 087	0.540 8.009	2.591	418.5 1000.	0.595 1.481	14 57 54.05
Canadian Dollar Belgian Franc 199	0.420 1.714	4.836 3.410	1.559 6.362	167.R 662.1	3.579 14.61	1,418	1.683 6.864	705.5 <b>28</b> 71.	4.081	100.

### EURO-CURRENCY INTEREST RATES

ı	Fab. 5	Starting	U.S. Dollar	Ounadian Dollar	Dutch Gullder		West German	French Frenc	Italian Lira	, Arian S	Japanese Yen
	†Short term	114-114 1213-1254 1316-1314 1334-1378   1314-1334	10-10 kg 10 kg 10 kg 10 kg 10 kg 10 kg 10 kg 10 kg 11 kg 10 kg 11 kg	814.934 814.934 11-1156 1054-1115 1076-1114	714-718 714-719 718-718 718-718 672-718 7-714	par-ig par-ig ig-ig- ig-ig- ig-ig-	50, 4 50, 3 51, 4 51, 4 41, 41,	814-516 814-614 716-716 716-816 814-812 9-814	7-10 1010-1114 1251-1254 13-14 1312-1416 14-15	10,5-10,5 10,5-10,6 1058-104 1054-1078 104-1078	44.1% 

### INTERNATIONAL MONEY MARKET

## Firmer trend

Interest rates were firmer in most of the world's financial centres yesterday, although First National Bank of Chicago joined Chase Manhattan and one or two other U.S. banks in cutting its prime rate to 111 per cent from 11; per cent.

Pederal funds were firmer in New York in early trading, rising to 101-101 per cent, from around 10 k per cent at the same time on 10/2 per cent at the same time on Friday. The Federal Reserve added liquidity by way of overnight repurchase agreements. Overnight money was also up in Germany and France.

FRANKFURT — Call money rose to 3.04.0 per cent from 3.7.39 per cent and one-month to

3.9 per cent, and one-month to 4.04.1 per cent from 3.8-3.9 per cent. Three-month funds were unchanged at 4.14.2 per cent.

UK MONEY MARKET

Lending Rate 121 per cent (since November 2, 1978) Interest rates rose quite harply in the London money

market yesterday, with one-month interbank money rising to 13 3/16-13 5/16 per cent from

12 7/16-12 15/16 per cent.

PARIS—Day-to-day money rose to 62 per cent from 61 per cent, and longer periods were also firmer. One-month rose to 62-611 per cent from 61-612 per cent fro per cent; and 12-month to 71c-712 per cent from 71-71 per cent.

BRUSSELS—One-month funds rose to 51-52 per cent from 5-52 per cent, and three-month to 54-54 per cent from 51-52 per cent. Six-month and 12-month money were unchanged at 81-81

Exceptional assistance

2 7/16-12 15/16 per cent.

Day-to-day money was in short was also a very small rise in the apply and the authorities gave note circulation, but the major

supply and the authorities gave note circulation, but the major an exceptionally large amount of factor against the market was a assistance by buying an very large net take-up of extremely large number of Trea-

AMSTERDAM - Call money.

The bank bills are to be resold

to the market at a fixed future date. Banks brought forward small

and six-month at 4.3-4.3 per cent, was unchanged at 71-8 per cent, but 12-month eased slightly to but period rates eased. One-month fell to 71-71 per cent from 71-8 per cent; three-month to 71-71 per cent from 71-8 per cent; and six-month to 71-71 per cent from 71-71 per cent.
HONG KONG—The money market was easy, with call money

at 114 per cent and overnight at 9) per cent.
SINGAPORE — Bank Negara

SINGAPORE — Bank Negara Indonesia, Banque de l'Indonchine at de Suez, Chartered Bank, and Hong Kong and Shanghai Banking Corporation, raised their prime rates up by per cent to 8 per cent. Chase Manhattan also increased its prime rate by 1 per cent to 31 per cent, while the Royal Bank of Canada raised its prime rate by 1 per cent.

. In the interbank market over-

night loans opened at 111-12 per cent and touched 121-121 per

cent, before easing to 7-8 per cent

the London bullion market to close at \$244; 245, a rise of 2131 an ounce. The increasing probability of cuts in oil supplies should the crisis in Iran con-tinue was seen as one of the

Sharp

GOLD

February 5 | February 2 Gold Bullion (fine ounce) 

Gold rose sharply yesterday in

Gold Coins, domestically Krugerrand ... \$275-278 ... \$2543-2564 (£1581): 140) (£128-129) (£128-129) (£565-674 ... \$663-674 ... \$654-674 ... \$654-674 ... \$654-701; \$654-701; \$654-701; \$654-701; \$654-701; \$654-354) (£3412-3514)

Gold Coins, internationally

houses, plus a small amount of local authority bills, and a small disbursements over revenue payments to the Exchequer. Discount houses paid 11-11! per cent for secured call loans in the early part, and closing balances were taken at 10-11 per cent. reasons behind the dramatic improvement, together with

heavy shortcovering and a general rise in precious metals. The metal finished at around its best level for the day, not far from its record closing level at from its record closing level on October 30 last year of \$2441-2451, which was reached at the height of the dollar crisis.

In Frankfurt the 121 kilo bar was fixed at DM 14,375 per kilo (\$238.87 per ounce) against DM13,975 (\$230.62) on Friday.

# NEW YORK

MONEY RATES

GERMANY FRANCE

LONDON MONEY RATES

Feb. 5 1979	Sterling Gertificate on deposit		Local Authority deposits	Local Arth. Regotiable bonds	Ноцав	Company Deposits	Discount market deposit	Transurv	Eligible Bank Bills 4	Fine Trade Bills &
Overnight	127g-125g 137g-137g 137g-137g 137g-137g 137g-137g 137g-137g	13& 13& 13& 13&	131g-135g 131g-131g	181 <sub>8</sub> -135 <sub>8</sub> 181 <sub>4</sub> -185 <sub>4</sub> 181 <sub>4</sub> -185 <sub>4</sub> 18-187 <sub>6</sub> 181 <sub>4</sub> -187 <sub>6</sub>	13 131g 15 16 14 16 13 13 13 13 13 13 13 13 13 13 13 13 13	· — · ·	10-111 <sub>2</sub> 11-111 <sub>2</sub> 117g-19 117g-19 123g-126g		18/2 15/2-15 4 15/2-15 6 15-15 8	131s 135s 135s 135s

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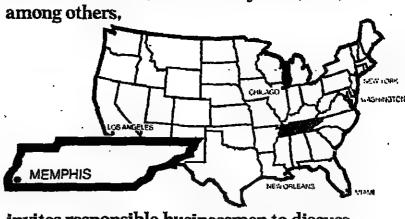
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The world's lastest growing begare the world's lastest growing begare. GLASGOW BASED property company net-ting in caces of £50,000 per annum observed for sale. Principats only apply. Write Box G.2395, Flancial Times. 10. Cannon Street, £C4P 48Y. world's lastest growing vity. Get the facts from Fea Management. Telephone 10 Managemer 282576/22954.

## FOR SALE

Specialised Manufacturer of Custom Built Body Work for Commercial Vehicles

Two factories on long leases Based in Essex For further details:

A. R. HOUGHTON 27 Chancery Lane London WC2 01-242 9451

## FOR SALE

Fruit processing plant in South East. Fully equipped with treah preparation line, freezer, cold store, retorts and pulp line. Possible tax loss

MELLORS. BASDEN AND CO. 38 Finsbury Square, London, ECZA 1SY.

NORTH SHROPSHIRE Assets of business manufacturing agricultural trailers and ballast

concorn. Fully litted factories with Presses, Guillotines, Lathes, Mills, existing skilled labour force. Buildings of 150,000 sq ti on 10-acre sits. Avail-able on either treehold or lessehold basis.

Further details apply Box G.3298, Financial Times, 10, Cannon Street, EC4P 4BY.

#### TAX LOSS COMPANY FOR SALE

Air Transport/Haulage Business For details of Audited Accounts and

Write Box G 3303, Financial Times. 10. Cannon Street, EC4P 48Y.

#### SMALL COMPANY FOR SALE

Filter Manufacturers. Turnover over 1100,000 Good profit record. Assets include freshold factory. West Midlands, Financing arrangement available. able to approved purchaser. Genus enquiries to Mesers. Morley, Danks and Co., 37, Avenue Road, Rowley Regis. Worley, West Midlands. Tel. 021 859 3935.

PREMISES HOTELS AND LICENSED

#### CRANS-MONTANA SWITZERLAND FOR SALE

First-class hotel with good clientele Serious enquiries only. Please contact Box G.3291, Financial Times. 10, Cennon Street, EC4P 46Y.

#### ADHESIVES COMPANY

Specialised industrial adhesives company for sale in Central Europe occupying excellent 5 acre site, 40,000 sq. ft. covered space. Write Box G3314, Financial Times, 10, Cannon Street, EC4P 4BY.

## THE FREEHOLD

OF FOUR MODERN INTENSIVE FISH FARMS to be built in 1979, are evaluable. The fish farming units are to be constructed on a alte near Weymouth on one of the finest freshwater sites in Europe, having the purest borehole and spring water supplies, exceeding two million gallons per dey, mostly protected by a Water Authority's realing quentity abstraction (icence. Substantial capital growth plus 20's return per annum forecast in this new auricultural industry. Minimum capital requirement, £110,000. Established technical management and merketing outless.

FIELD, STREAM & COVERT (ENGLAND) LTD . Fish Farming Managers, Scientists and Engineers, Meriden, Warwickshire, CV7 7LJ.

## WASTE PAPER RECLAMATION **BUSINESS**

Old established company engaged in processing and packaging of range of waste paper. Well equipped modern freehold works-London. T/O approximately £1m p.a. with good orders. Offering potential.

Full details to Principals only. Box G.3322, Financial Times, 10 Cannon Street, EC4P 4BY.

## **BUSINESSES WANTED**

#### ESTABLISHED SHIPPING AND FORWARDING COMPANY

wishes to acquire small General Shipping and Forwarding company or companies. Please reply to Reference PJB, Budd Martin Burrett, 2 Tindal Street, Cheimsford, Essex.

## OFFER TO ACQUIRE

Public Company wishes to acquire for cash successful business showing consistent profitability engaged particularly in the Wholesale/Retail Trade. Write Box G.3311, Financial Times, 10. Cannon Street, EC4P 4BY.

#### WORD & DATA **PROCESSING SUPPLIES**

Leading manufacturer wishes to acquire or take equity stake in a

DISTRIBUTOR established, existing national distribution to end users essential. Profitable. Turnover over £ million.

Write Box G.3317, Financial Times, 10, Cannon Street, EC4P 4BY.

## CLIENT INTERESTED IN ACQUIRING HAULAGE COMPANY Annual turnover £500,000 Well estab-lished profitable business. Type of vehicle mainly 32-ton articulated equip-ment. Nature of traffic long distance haulage. Location, South Lands, and Greater Manchester Essily accessible to motorway system. Reply in con-hedence to Box G 3284, Financial Times, 10. Cannon Street £C4P 4BY.

WANTED Plant Hire Company with tax losses in excess of £50,000. Write 80x 6.3277. Financial Times. 10. Cannon Street, EC4P 48Y.

## **PLASTIC PRODUCTS**

Substantial group of plastics companies wishes to expand its manufacturing and marketing by acquisition Companies with sales exceeding £500,000 and capacity for conservation with health processing £500,000 and capacity for the sale of Write in confidence to Box G 3290, Financial Times, 10, Cannon Street, EC4P 4BY

## **INSURANCE BROKERS** seeking to purchase brokerage (tile and or Fire and Accident) where ore or more Directors would be willing to continue with a view to an early Directorthip on the Main Boord, Please wife to Box G.3358, Financial Times, 10, Connon Street, ECAP 469

SOUTHERN ENGLAND-BASED

WANTED A CHEMICAL COMPANY

## with turnover £250,000 + for acquisition and merger with similar interes: Principals only contact

Mr. James, Tel. 043-813489

## irp

11144

## Early Dow fall of 9.4 on Iranian worries

INVESTMENT DOLLAR PREMIUM \$2.60 to £1-947% (96;%) Effective \$1.9895 48;% (49;%) RENEWED CONCERN about

the impact of Iranian unrest on the U.S. economy pushed stocks broadly lower on Wall Street in moderate trading yesterday

The Dow Jones Industrial Average weakened 9.44 to 825.19 at 1 pm and the NYSE All Com-

Closing prices and market reports were not available for this edition.

mon Index fell 65 cents to \$55.14, while declines outpaced rising issues by a four-to-one margin. Turnover came to 18.32m shares. against last Friday's 1 pm level

of 16.87m. shadowed a cut in the prime rate by First National Bank of Chicago to 111 per cent from 117. Chase Manhattan and First

NEW YORK

Abbott Labs. 3231 AM Inernational, 2234 Actna Life & Co., 41

Stock

Airproducts ..... Alcan Aluminium

Allega Ludium...
Allega Ludium...
Allega Ludium...
Allega Borneral
Alleda Stores...
Allis-Chalme rs.
AMAX...
Amerada Hess...

Amer. Stores, . Amer. Tel. & Tel.

Best'n Dick'nson 344 Bell & Howell, ... 154 Bendix .... 59

Bendix .... 59
Benguet Cons 3 41
Bethiehem Steel 23
Black & Decker... 1814
Boeing .... 7614

Juiova Watch Jurilagton Nthn.

Campben soup ...
Cana. Randolph...
Carnation.......
Carrier & Gener,
Garter Hawley ...
Caterpillar Tract

Central & Sw..... Certanteed... Cessna Aircraft... Champion Inter ... Ch'se Manhattan Chemical Bk. NY Chesobugh Pond Chessie System... Chicago Bridge... Chrysler ... Cinc. Milagron ... Cittogro...

City Investing.... Cleveland Cliff CocaCola

7.0

Avon Products... 51 62
Avon Products... 51 82
Balt, Gas Elect ... 253a 253a
Bangor Punta... 211 22
Bank America... 25 251a
Bankers Tr. N.Y. 3253 351a
Barber Oll... 241a 26
Baxter Travendi. 40 4012

contracts and an aide to Ayatollah Khomeini advocated nationalisation of foreign oil compunies' holdings.

Among the actives. Sears Roebuck lost | to \$201, K Mart \ to \$24, Avon Products 1; to \$49; Armstrong Cork to \$17; ex-divi-dend and Boeing 1; to \$75; Orders from Iran for seven Boeing airborne radar aircraft were cancelled.

Raytheon fell 12 to \$471 despite winning a \$39m air force contract. It has a large exposure

Exxon receded 1 to \$491 ex-dividend and Mobil 12 to \$693. General Dynamics declined 1; to SS41. Its order from Iran for 160 F-16 jet fighter aircraft was cancelled.

Ashland Oil, however, picked up 1 to \$362. It is to sell properties to Tenneco, Mesa Petroleum and Getty Oil for \$607m. Tenneco eased 1 to \$301, Mesa 2 to \$351 and Getty 1 to

Stack

Johns Manville . .

Johns Manville 2554
Johnson Johnson 29
Johnson Control 29
Joy Manufacturg 30
K. Mar Corp 2414
Kalser Alumini m 1854
Kaiser Stoel 2513
Kanab Sarnota 1413
Kennecott 2873
Kidde Walter 2973
Kimberley Clark 45
Koppers 1954
Kroger Go 5813
Leaseway Trans
Levi Strauss 221
Libby Ow, Forg 251

Marathen Oil 5712 Marathen Hidland 1514 Marshall Field 1715

MCA
McDermott
McDonnell Deug.
McGraw Hill
Memorex
Merok
Merok
Merrill Lynch
Mesa Fatrolaum

MGM
Minn Ming & Mtg
Mobil Corpn.
Monsanto
Morgan J. P.

Nat. Distillers....

Overseas Ship.
Owens Corning
Owens Itlinois...
Pacific Gas
Pacific Ughting,
Pan Pwr. & Lig
Pan Am World Air
Parker Hannifin,
Peabody Initi...
Penney J. O...
Penney J. O...
Penney S. O...
Penples Orug
Peoples Gas...
Papsico

Perkin Elmer . ..

Nat. Service Ind... National Steel...

New England E. 2514 New England Te 8534 Nisgara Mohawk 15:

20 ig 15 is 52 is 45 is 25 is 15 is 10 is

Stock

Dana Bos State Control of the Contro

E. G. & G . . . . . 30 El Paso Nat. Gas. 17 

G.A.F. 121s 111s Gannett 141 411s Geico 28 28 Gen. Amer. Inv. 101s 101s G.A.T.X. 261s 243s Gen. Cable 17 165s Gen. Cable 47:2 485s Gen. Foods 551s 355 General Mulis 283s 355s General Motors. 561s 561s

Hewlett Packard 86m Holiday Inns. 17t; Homestake... 35:14 Hoover .... 684 Hoover .... 10 % Hosp Corp. Amer Houston Nat.Gas 2514: Hutton £E.J... 15t; Hutton £E.J... 17ti

**EUROPEAN OPTIONS EXCHANGE** 

Vol. Last

August

5 10

13%

576 to

23 F.568

in active early dealings yesterday, with the weak New York
market exerting downward pressure.

1 Okyo

Market suffered a sharp put on Y30 to Y3,130 and Toa weaker.

Nenryo Y31 to Y629.

Banks 0.14 to 316.83 and Utilities 0.17 to 196.42. Inco, which reported higher

poorer full-year results, rose } to C\$217. Southam eased 1 to CS18? despite improved earnings and a

Pennsylvania are two major banks which have already announced a similar reduction in prime rate.

The Iranian warries were Mesa 1 to 8351 and Getty 1 to 837; ex-dividend.

THE AMERICAN SE Market 1 to CS10.

THE AMERICAN SE Market 1 to CS10.

Surpass Chemical, which last traded at CSS, was halted at the 15S.40 at 1 p.m. after moderate 15S.40 at 1 p.

Scudder Duo Cap
Scudder Duo Cap
Sca Container. 25½ 25½
Scagram. 25 25½
Scagram. 25 25½
Scarie (G,D.) 123½ 121a
Scarrs Roebuck. 20½ 31½
Scarrs Roebuck. 20½ 31½
Scarrs Roebuck. 20½ 32½
Sheil Oll. 32½ 32½
Sheil Transport. 45½ 35½
Signad. 25½ 25¼
Signode Corp. 32½ 32½
Simplicity Pat. 11 11½
Simper 16½
Simplicity Pat. 11 11½
Simper . 44½
Smith Rilne. 35½
Smith Rilne. 35½
Smith Rilne. 35½
Southern Cal. Ed. 267a 267a
Southern Nat Res. 37½
Southern Nat Res. 35½
Southern Pacifici 27½
Southern Pacifici 27½
Southern Pacifici 27½
Southern Railw'y 45½

| Staring Drug | 154 | 158 | 154 | 158 | 154 | 158 | 154 | 158 | 154 | 158 | 154 | 158 | 154 | 158 | 154 | 158 | 154 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 158 | 1

Wells Fargo ..... Weston Bancort Western N.Amer

with Witco Chemical

Press reports that Saudi The Toronto Composite Index.

Arabia has decided to cut oil production by 700,000-1,000,000 firmer at 1.349.8 at mid-day, helped by a rise of 13.3 to 1,557.9 in the Golds index and a gain of 3.8 to 1,207.2 in the Metals and Minerals index.

Oils and Gas receded 5.4 to Oils and Gas receded 5.4 to 13.9 shares, compared with Oils and Gas receded 5.4 to 2.80 to 457.70. Volume amounted 1,247.S, Papers 0.48 to 156.79, 156.79, 156.79, 156.79, 156.79, 157.75 250m shares in the half-day session on Saturday and 350m last Friday.

Inco, which reported higher Investors sold such exportfourth-quarter net profits but related issues as Light Electricals and Motors and other Blue Chip shares, partly reflecting concern over the outcome of trade talks between the U.S. and Japan. dividend increase. Canadian
Hidrogas added 5 cents at C84.60
on bigher first-quarier earnings.

The Real Estate index fell
nearly 27 points, with S. B.
McLaughlin off 1 to C8101 Trizee

1 to C818 and Cadilles February
1 to Y688, Nisshin Spinning Y6 to
1 to C818 and General Technical Trizee
1 to C818 and Japan.
Recently-selected - Textiles,
Chemicals, Steels and Heavy
Machines were widely lower.
Fuji Photo Film receded Y29
1 to Y688, Nisshin Spinning Y6 to
Y649, Kaken Chemical Y70 to

traded at CSS, was halted at the However, Telkoku Oil, opening on news that it plans to together with some other energy-

oolworth 2014 20 yly 418 478 erox 57 5778 spata 1278 1234 enith Radio 1876 14

Wolverth 418 478
Wyly 577 5778
Xerox 57 5778
Zapata 1276 1284
Zenith Radio... 1276 14
U.S. Treas 47 80, 194... 944...
USTreas 47 80, 194... 944...
USTreas 47 80, 194... 945...
U.S. 90-day bills... 9.327 9.387

CANADA

Can. Pacific inv. 2514 : 241. Can. Pacific inv. 2514 : 281. Can. Super Oil... 71 : 171. Carling O'Kerfe. 4.75 4.75 Cossiar Asbastos 916 : 96

| Rogar Trustoo... | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16%

† Bid. † Asked. § Traded. § New Stock.

. 144 | 14 c +114 | 114

related issues, gained ground, sold a net DM 11.1m nominal of helped by news that its debts in paper compared with sales of margin trading have decreased

Paris

Bourse prices mainly declined in fairly active trading. Brokers said the weakness of the market was in part due to funds being diverted to the gold market, as well as to an increase in the Call Money rate to 6} from 6! per cent, continuing concern over potential labour unrest in France and the situation in Iran.

Declines predominated in all sectors apart from Stores and Rubbers, which were mixed. Notably lower were Chargeurs Reunis, Sias, Borel, Ericsson, Moet Hennessey, Generale des Eaux, Ferodo, Poclain, Michelin, Redoute, Applications des Gasz,

Bouygues, BIC, and Dollfus-Mieg. Gaining substantially against the general trend, however, were BCT, Kleber, Prenatal, CEM and

Metallurgique Dunkerque. Germany

An easier tendency prevailed yesterday, although Banks and Chemicals provided firm sectors. The Commerciank index shed 1.8

Dealers described trading as somewhat listless with institu-tional investors largely staying Among Banks, Dresdner Bank gained DM 1.30, Deutsche Bank DM 1.10 and Commerzbank 50 pfennigs. Most Chemicals scored small gains. Bayer and Hoechst put on 70 pfennigs each,

Schering, however, declined DM 1.50 and Ruetgerswerks Losses were also posted by teels, where Thyssen shed Steels,

while Degussa climbed DM 3.00.

90 pfennics. In Motors, Volkswagen receded DM 1.70, while Stores had Kaufhof off DM 1.50. Eisewhere, Metaligeselschaft reacted DM 3.50.

In Domestic Bond trading, short-dated public authority paper shed as much as 35 pfennigs, while longer dates were marked down by up to 10 pfennigs. The Bundesbank

MOTES: Overseas prices shown below exclude 3 premium. Belgian dividends are after withholding tax.

\$\phi\$ DM 50 demon, unless otherwise stated, yields based on not dividends plus tax.

\$\phi\$ 300 demon, unless otherwise stated.

\$\phi\$ DKr 100 demon, unless otherwise stated.

\$\phi\$ DKr 100 demon, unless otherwise stated.

\$\phi\$ DKr 100 demon, and Bearer shares unless otherwise stated. \$\phi\$ Type at time of suspension, a Florias. \$\phi\$ Schillings. \$\cinc \text{Cents}\$, d Dividend after pending rights.

180 -5 235 -2 105 +2

| 18.26 | -2 | 18.26 | 5.8 | 10.5 | +3 | 14.06 | 5.8 | 150.5 | -1.0 | 15.25 | 5.2 | 15.4 | +0.7 | 15.76 | 7.0 | 15.2 | +0.5 | 14.24 | 4.5 | 551 | -1.2 | 14.24 | 3.5 | 5.5 | -1.5 | 18.78 | 5.8 | 5.5 | -1.5 | 18.78 | 5.8 | 5.5 | -1.5 | 18.78 | 5.8 | 5.5 | -1.5 | 18.78 | 5.8 | 5.5 | -1.5 | 5.76 | 4.4 | 91.2 | -0.8 | -0.5 | 25 | 4.2 | 1.565 | +8 | 25 | 8.0 | 9.38 | -0.5 | 9.38 | 4.5 | 4.4 | 1.565 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | 4.5 | 4.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.38 | -0.5 | 9.

Fis. — \$ 2 2 118.5 - 0.7 118 4.7 29.5 - 0.6 — 3 425 6.4 93.8 - 0.4 60 5.3 77.8 - 1.3 425 6.6 92 + 0.2 26 5.6 125.8 - 1.7 180 6.9 286.5 - 5.5 27.5 26 6.9 144.5 - 0.5 26 6.9 1.5 - 1.7 14 3.9 32 - 0.5 12 1.7 14 3.9 32 - 0.5 12 5.2 176 - 0.8 19 1.7 1.7 - 0.8 12 1.1 1.7 - 0.8 12 1.8 12 1.8 12 1.8 12 1.7 - 0.8 12 1.8 12 1.7 - 0.8 12 1.

GERMANY +

Hapeg Lloyd.... Harpener.....

Munchener Rok
Neckermann ...
Preuss gDM 100:
RheinWestEleoti
Schering ....
Siemens ....
Siemens ....
Sud Zucker ...
Thyssen A.G ....
Varta ...
Vereins&W st&k
Volkswagen ....

AMSTERDAM

Heineken (FI25) Hoog'ns (FI20)... HunterD.(FI.100)... Int. Muller(FI.20) Nat. Ned InsFI10 Ned Ned InsFI10 Ned MidBk(FI.70) Ooe (FI.20).......

COPENHAGEN &

Danske Bank.... East Asiatic Co. Finansbanken...

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Nord Kabel .....
Novolnd stries B
Oliefabrik .....
Privatbank .....
Provinsbank .....

Provinsbank .... Soph.Berensen.

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8.5 7,6 3,5 6.8 12 11

10 2.9 9<sub>9</sub> 3,4 38 8.5

heavyweights up to R3.00 higher. and/or acrip issue, c Per share, f Francs, g Gross div. "... h Assumed dividend after scrip and/or rights issue. h After local lates, w. 't tax free. h Francs; including United div. p Nom. q Share split, a Div. and yield excinte special payment. I Indicated div. s Unofficial trading, p Minority holders only. p Mergor pending. "Asked. † Bid. § Traded. † Sellet. r Assumed. IT Ex rights. It Ex dividend. It Except jenus. It Ex all. A Industry since increased. TOKYO ¶

index rose 3.25 to a 1978-79 high

of 580.46. Industrial leaders had a good

holders for cash to finance the Nabarlek uranium project.

The market closed sharply higher after moderately active

trading, with the Hang Sens index recording a rise of 13.96

A decision by the Exchange

Banks Association Interest rate

sub-committee to leave local deposit rates unchanged for the

time being gave a boost to senti-

Hong Kong Wharf led the advance, rising HK\$1.45 to HK\$31.25, while Jardine Mathe-

son climbed 60 cents to HK\$13.10, Hong Kong Land 45 cents to HK\$8.70 and Swire Pacific "A"

Gold shares made good pro-

gress in fairly active trading following sharply Bullioh indica-

tions. There was fairly strong

Oversess interest which pushed

40 cents to HK\$9.20.

Johannesburg

Hong Kong

ment.

Yen + or Div. Yic Feb. 5 wahi Giass... ACMIL (25 cents) ....... Acrow Australia ....... AMATIL \$1 Ampol Exploration .... Ampol Pstroleum .... Assoc Minerals .... 10 0.4 Mitsui & Co.... Mitsukoshi,... Nippon Dense... Nippon Shippan EZ. Industries
Gen. Property Trust
Hamersley
Hooker
ICI Australia
Inter Copper
Jennings Industries
Jones (David) 

BRUSSELS/LUXEMBOURG

Metals Exploration ...
Metramar Minerals...
Mim Holdings...
Myers Emporium ....

Lufthansa 98 -0.5 9.88 4.5

M.A.N. 927.5 -2 18,75 4.1

Mannesmann 1.66 -2.5 17.18 5.1

Metailges 265 -3.6 15.63 2.9

Munchener Rick 546xr 28.12 2.3

Neckermann 172.4 -6.6

Preuss'gDM100 162.5 -1.5

RheinWestElect 178.5 -0.7 26 7.0

Schering 245.5 -1.5 28,12 3.7

Siemens 265.5 26 4.7

Thyssen A.G 246.5 +1.5 17.95 3.7

Thyssen A.G 166.8 -0.9 17.16 8.0

Varta 185 -1 16.16 4.8

Vareins Wistek 294 28.12 4.8

Volkswagen 244 -1.7 25 5.1 Off Search
Otter Exploration
Pioneer Concrete
Recklift & Colman
H.G. Sielgh
Southland Mining
Southland Mining
Sparges Exploration
Thomas Rat. Trans.
Trooths (8)
Waltons
Western Mining (50g).
Woolworths
Woolworths Arbed 2.350
Bekkert 'B' 2.605
C.B.R. Cament 1,200
Cockerii 2,500 PARIS 60

SWITZERLAND . Gen. Ocaid nt'ie 250.5 Imetal 55.8 Services Borel 116.6 Lafarge 251 L'Oreal 1746 Lafarge 1,782 Maisons Pheonx 541 Michelin 'B'' 1,040 MoetHennessey Moulinex 208.5 Pechiney 76 Permod Ricard 317 PeugeotCitroen 407 Pocialn 191.6 Radio Tchnique Radouta 518 1,485 —45, 10,1485 —45, 10,1485 —45, 10,1485 —45, 10,148 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —4,150 —5,200 —100 —3,265 —65 Redoute Rhone Poulenc. St. Gobain Skis Rossignol...

MILAN Price + or Div. Yid Lire - Lire % Feb. 5 172.5 - 1.5 - 24.556 - 300 - 384.5 - 0.5 - 32.205 - 46 - 1.87 - 4 - 1.183 - 22 - 1.805 - 29 - 880 - 11 - 840 - 9

Indices

NEW YORK-DOW JONES Since Compil's 1978-79 High Low paper compared with sales of e industr'is 834,63 849,87,869,22 851,78 855,77 858,75; 907,74 742,12 8.9m last Friday. Mark e industr'is 834.63 840,87.869.22 851.78 855.77 856.78 89.96 (2012) (111.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 86.94 90.96 (41.776) (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 86.94 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 86.94 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.80 85.51 85.41 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.80 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.19 85.24 (11.175) (2712.3 H'me B'nds 85.80 85.19 85 Markets generally showed fresh markets generally snowed fresh buoyancy, although Coppers, strong of late on the upsurge in copper prices, reacted on profit-taking, while Oils also turned easier. The Sydney All Ordinary index rose 325 to a 1070 for the

25,550 27,930 30,580 28,910 24,240 84,250 —

◆ Day's high 843,38 low 832.47 | Jan. 26 | Jan. 19 | Jan. 12 | Year ago (appro

Industrial leaders had a good		v. yleld	2.%		5.66	5.6	31 ;	5.80		6.02	2
day, with BHP advancing 8 cents	<u> </u>										
to A\$9.88.											-
Pioneer Sugar gained 10 cents	STANDARD	AND P	OORS								
to A\$1.45 and CSR 6 cents to		_						: 1978	70	'SinceC'	
A\$3.69 on higher sugar prices.	,	ı i	1 1	٠. ا		l [	Jan.	1370	- L#	SILICEO	usher z.V
Among Banks, CBC moved		Feb.	Feb.	Jan.	150.	Jan. 29	26	High .	Low	High	Low
ahead 19 cents to A\$2.25 in	i	<u>-</u>				<u>'</u> '					
response to encouraging interim	:Indust'ts	110,85	111,40	111,32	112,70	115,29	173.64	110,71	35,57 (6/3)	154,64	3,53 Listingues
results. ANZ put on 4 cents to	i	i i	1 ne sei	60 65	40T 45	101.55	101.86	1 106.980	86.90	125,85	4.40
A\$4.22	§Composite	99.50	33,36	23.20	IQ I.UJ	101.00		112/91	(6,5)	Helion	116(32)
Tin and Gold shares improved,			1					-			
along with Beach Sands mining				Jai	n, 31	Jan.	24	Jan. 17	TO	:21 ago (:	approx.
issues, but among the easier	and alkinda	I-10°		4	.99	4.9	6	4.97	î	5,2	2
Copper sector, MIM receded		<u> </u>					·			- B 51	
F conta to A221E and Danific					ns l	90	5 :	9.01		8,69	5

Tin and Gold shares improved along with Beach Sands mining issues, but among the easier Copper sector, MIM receded 7 cents to A\$3.15 and Pacific Copper 4 cents to A\$1.14. Ind. P/E Ratio Long Gov. Bond Yield 8,84 Uraniums mostly marked time Rises and Falls except for Queensland Mines and Kathleen Investments, which softened on a belief that they will soon be calling on share-N.Y.S.E. ALL COMMON Feb. 2 Feb. 1 | Jan.31 Feb. Feb. Jan. Jan. High | Low

| Issues Tyaded | 1,830 | 1,849 | 1,878 | 1,878 | 1,885 | 1,849 | 1,878 | 1,675 | 1,675 | 1,033 | 1,675 | 1,033 | 1,675 | 1,033 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,67 55,79:56,00|55,99:56,60| 60,58 | 48.37 (11/8) | (8/8) MONTREAL Jan. High 226.85 227.62 228.89 230.95 232.44 (29.1/78) 152.90 (16/2) 251.12 251.76 253.21 255.85 237.05 (29.1/78) 170.62 (30/1) TORONTO Composite | 1849.8 | 1860.7 | 1855.8 | 1872.8 | 1862.4 (28)1/18.1 | 980.2 (30:1)

JOHANNESBURG 289.1 288.8 270.2 272.5 275.3 (29(1/79) 200.0 300.5 7556.9 800.7 800.8 (29)1.79 Gold Industrial Australia(%) 580.46 577.21 560.46 411.19 | Denmark(\*\* 92.70 | \$0.44 | \$0.473 | \$0.45 | \$0.45 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.473 | \$0.45 | \$0.45 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 | \$0.473 Switzerhic / 514.8 | 318.2 | 323.7 Dec. 1953. 48 Amaterdam Industrial 1970. 11 Hang Seng Bink 31,7764, Ill Bancs Commerciale Italiana 1972, a Tokyo Now SE 47/68. 6 9tonts Times 1968. c Clascu. 6 Madrid 52 28/12/78. c Stockholm Industrial 1/1/58, f Swiss Bank Corporation. a Unavail-sible.

FRIDAY'S ACTIVE STOCKS

Stocks Closing indices and base dates (all base values 100 except NYSE All Common—50: Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds, \$ 400 Industrials, \$ 400 Industrials, 40 Utilities, 40 Finance and 20 Transport, 1 Sydney All Ordinary. § Belgian SE 1/673. \*\* Copenhagen SE 1/1/73. †† Paris Bourse 1961. \*\* Commersbank traded 647,500

+0.05

+0-01 +0-03 +0.03 -0.66 -0.01

-0.01

+0.01

+8.05

10.34 11.53 12.74 10.65 10.42 11.36 11.83 10.79 11.96

139 | 14,1 (0,1) | 12,5 (4,2) | 15,5 (4,2) | 15,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) | 16,5 (4,2) |

-0.050,1216.55 +0.010,127.95 +0.010,37.27.99 -0.060,008.7.75 -0.070,908.95 -0.040,137.14 -0.080,22172.55 -0.160,2554.13 -0.1714.78

Turnover: Cr.73.6m. Volume 54,3m.

STOCKHOLM Aust 5 + Of +0.92 -8.02 +0.08 12.20 -0.06 11.87 +0.06 11.78 +0.01 11.70 +0.01 11.01 +0.01 10.96 ..... Marabou
Mo Och Dometo
Sandvik 'B' Kre.
S.K.F. 'B' Kre.
Skand Enskilda.
Tandstik B(Kr60
Unddeholm....
Volvo (Kr 50),... 88 +2 - 5.75 2.1 78.5 - 1.5 4.5 6.1 161 +1 8 5.0 78 +2.5 5 6.4 72 |+2.5 9 6.4 80 | 6 7.5

**OSLO** Price | For Div. Yid. Kroner — | % | \$ +0.05 0.02 -0.01 +0.81 -0.04 +0.02 Kraditkassan 116.6 Norsk HydroKra 224 - 16 Storebrand 88 + 0.5 +0.01 IOHANNESBURG +0.01 +0.01

Securities Rand U.S.\$0.677

(Discount of 41.1% Banco - Exterior ......
B. Graneda (1,000) B. Urquilio (1,000) Banco Zaragozano ... Espenole Zinc ....... Fecse (1,000) ......

	ABN	F,300	-				- 2		
	ABN	F.380	10	3.60	3	8,50	5	11,50	Pa .
	ABN	F.390	24	1.80		_			
		F.380	- 3	00	10	6.10			F.29,50
	AKZ	F,25				0,10			F,23,00
	AKZ	F.27,50	20	3.40			_		g1
1	AKZ	F.30	45	1.70	19	2.80	100,0		##
	AKZ	F.32.50	50	0.70	10	1.70	9	2.50	20
- 1		F.35	14	0.40	27	0.80	10	1.60	
1	AKZ		7-4	0.40				1,00	F.77,80
1	ARB	F 80			1	2,40	٠.		
	CSF	P.560	5	13.90	4	20,50			F.370
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		F.440		_			9	9,10	
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			5	9.30	5	12		_	F.146,30
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	GOB	F.160			_		5	2,80	
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- 1	HO	F.40	_		8	0.70			
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		F.120	74	1.10	73	3.10	12	4.80	1
	KLM						Š		м
- 1	KLM	F. 130	102	0.50	9	: 2	9	3,60	Pe
	KLM	F.170		_	100	G 30	-	_	. 4
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- 1						•			F.23.70
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	RD	F.150	33	2.60	22	3.50	5	4.60	
		F.135	20	1.20					
1	RD						_	_	**
	RD	F. 140	70	0.40	-	-	_	. –	F.123.70
	UNI	F.110	5	14.90	_	_		_	F.123.70

Feb.

TOTAL VOLUME IN CONTRACTS

15% 7% 1%

#### BASE LENDING RATES

Allied Irish Banks Ltd. 121%	C. Hoare & Co
Amro Bank 1210	
American Express Bk. 121%	Hongkong & Shanohai 124%
A P Bank Ltd 124%	Industrial Bk. of Scot. 121%
Henry Ansbacher 1210	Keyser Ullmann 121%
Associates Cap. Corp 121%	Knowsley & Co. Ltd 141%
Banco de Bilbao 121%	Lloyds Bank 121%
Bank of Credit & Cmce. 121%	London Mercantile 121%
Bank of Cyprus 121%	Edward Mauson & Co. 134%
Bank of N.S.W 131%	Midland Bank 124%
Banque Belge Ltd 121%	Samuel Montagu 121%
Banque du Rhone et de	Morgan Greofell 121%
la Tamise S.A 13 %	National Westminster 121%
Barclays Bank 1210	Norwich General Trust 121%
Bremar Holdings Ltd. 131%	P. S. Refson & Co 121%
Brit. Bank of Mid. East 121%	Rossminster 1219
Brown Shipley 124%	Royal Bk. Canada Tst. 124%
Canada Perm't Trust 121%	Schlesinger Limited 121%
Cayzer Ltd 121%	E. S. Schwab 134%
Cedar Holdings 121%	Security Trust Co. Ltd. 131%
Charterhouse Japhet 121%	Shenley Trust 14 %
Choulartons 124%	Standard Chartered 121%
C. E. Coates 121%	Trade Dev. Bank 121%
Consolidated Credits 121%	Trustee Savings Bank 121%
Co-operative Bank*1219	Twentieth Century Bk. 131%
Corinthian Securities 121%	United Bank of Kuwait 121%
Credit Lyonnais 121%	Whiteaway Laidlaw 13 %
Duncan Lawrie 121%	Williams & Class 1916
The Cyprus Popular Bk. 121%	Williams & Glyn's 121%
Eagil Trust 124%	Yorkshire Bank 121%
	Members of the Accepting Houses
English Transcont 1210	Committee.
First Nat. Fin. Corp 14 %	
First Nat. Secs. Ltd 14 %	deposits 104%.
Antony Gibbs 121%	
Greyhound Guaranty 121%	and under, 10% up to £25,000
Grindlays Bank	103% and over £25,000 10%%.
Guinness Mahon 12}%	: Call deposits over £1,000 10%.
Hambros Bank 121%	§ Demand deposits 10%
	<del></del>
	•

عهد مزالة

## Copper surges to £1,000

BY JOHN EDWARDS, COMMODITIES EDITOR

than £1,000 a tonne on the peaks. London free market recent stock falls, a noticeable London Metal Exchange yester-platinum gained £7.95 to a feature of the market was that the first time since June record £203.15 an ounce.

by sharp rises in precious values moved further ahead in metals, with platinum and silver the afternoon with the Metal

Copper cash wirebars closed £48 up at £993 a tonne, and the three months quotation £44.5 gold reflecting nervousness higher at £1,001.5. In late kerb about oil prices and supplies trading, however, prices tell and the consequent effect on the sharply when the New York U.S. dollar. As expected copper

While many speculators were reducing total holdings to taking profits in copper through-out the day, prices of platinum Although th

COPPER TRADED at more and silver rose steeply to new fairly modest compared with tonnes

The bullion spot quotation for The asionishing rise in the silver was 23.1p up at 356.2p an market continued, encouraged ounce at the morning fixing and prices jumping to new all-time Exchange silver cash price peaks.

The surge of buying demand was attributed to the rise in copper market came back with speculators reportedly switching to gold.

stocks held in London Metal Exchange warehouses fell once again: this time by 5,475 tonnes

Bonths quotations shrank to £9

at the close, and £6 at one stage. The market ignored a report from Tokyo that the Japan's Metallic Stockpillng Association was studying the possible re-lease of some 21,500 tonnes of copper later this month to mestic users because of the

sharp rise in world prices. Zinc prices on the Exchange climbed to the highest level for nearly two years, with the three months quotation trading above £400 a tonne for the first time since March 1977. The eash closed £16 higher at reducing total holdings to £394.5 a tonne, encouraged by 319,075 tonnes.

Although this decline was by 1,800 to a total of 66,625

A modest fall of 375 to 14,850 tonnes in warehouse stocks of lead was viewed as somewhat disappointing and the market lost ground with cash lead closing \$4 lower at £551 a tonne. However NL Industries in the U.S. announced it was raising its domestic lead price by 2 cents to 44 cents a lb.

Tin stocks rose again, by 175 to 1.790 tonnes. But prices were buoyed up by a rise in the Penang market over the week-

The build-up in aluminium stocks slowed down with a rise of only 100 tonnes to a total of 12,875 tonnes. LME silver holdings fell by 590,000 to 20,910,000

Feature on Page 16

#### Further cocoa price fall predicted

By Richard Mooney

A FURTHER decline in world cocoa prices was forecast yesterday by London traders Paterson. Simons and Ewart.
The firm, in its latest market

report, said that while manu-facturers appeared well supplied Ghana and Nigeria, two of the main producers, had plenty of cocoa to sell. It also noted that a large Brazilian main crop was in prospect and an "excellent" temparao crop had been fore-

In addition, the company thought the switch by manufacturers to cocoa substitutes in response to recent very high prices might bave reduced besic demand for cocoa beans.

Against these "bearish" factors the report said continuing shipment delays from Ghana and the weakness of the dollar and sterling against other European currencies were steadying

But the firm's overall view was nevertheless "bearish." "We do not believe that the downward movement of the past two months has yet fully run its course and it is difficult to see what is to prevent the pre-sent hear structure of the market continuing through the halance of the current season,"

On the London futures market meanwhile cocos prices recovered somewhat in what most dealers saw as a reaction against the recent decline.

## Fertiliser aid for third world

FINANCIAL TIMES REPORTER

ROME - A plan to protect poor countries against high fertiliser prices, proposed by the Food and Agriculture Organisation of the UN (FAO), has received the support of an FAO Commission and the inter-national fertiliser industry.

The scheme would make fertiliser available to develop-ing countries at prices they

It would help to safeguard their food production if fertiliser prices were to soar again as they did during 1974-75. Technical details have still to

he worked out.
M. Edouard Saouma, FAO director-general, has already received commitments in principle from fertiliser manu-

facturers to supply nearly 500,000 tons of fertilisers.
Under the proposal, the manufacturers would make the fertilisers available for five years at the same price paid by their domestic customers.

The scheme would operate

when prices in international trade rose above domestic prices in manufacturing countries—a situation that prevails only when prices are unusually high. An industry representative at the Commission meeting stressed the scheme would provide only "a second line of defence" because the quantities provided would only partially cover import needs of the poorest countries.

Commission stressed the need for creating such a scheme now, during the current period of reasonable prices. The Commission reviewed an assessment prepared by FAO, the UN Industrial Development Organi-sation and the World Bank which predicted that fertiliser supplies would remain adequate

for the next five years.

While fertiliser prices now compare favourably with those of the early 70s, the joint assessment said that "fertiliser prices can be expected to rise over the longer term to those levels required to induce new investments in fertiliser produc-

Much of the new construction and extension facilities.

of fertiliser plants will take place in developing countries, where capacity to make nitrogen fertilisers will double be-tween now and 1983. By then developing countries will be world's nitrogen and phosphate fertilisers, but will still require large imports, especially

The assessment estimated that fertiliser consumption in developing countries could double over the next 10 years. Despite this rapid increase, the rate of fertiliser use in these countries remains low by Wes tern standards, restricted by inadequate credit, marketing

## Pakistan buys cotton to fill export orders

BY CHRIS SHERWELL IN ISLAMADAD

stan's cotton crop put output so low that no exports of staple cotton will be possible this year. Export commitments are being filled through purchases on the world market.

When Pakistan announced its controversial temporary ban on exports in December, it had been hoped that once the crop Government and industry was in some of the export delegates to the FAO Fertiliser commitments of 250,000 bales

LATEST ESTIMATES of Paki-might then be met.
stan's cotton crop put output so But an assessment made last week on the basis of ginners' figures puts this season's out-put at between 2.4m and 2.5m bales. This is close to the dis-astrous level of 2.4m bales recorded in 1976-77, and far below the original projection

for this year of 3.6m bales. Officials say Pakistan has already settled its commitments with Western buyers.

## angers UK farmers

REPORTS of an international deal which would allow U.S. imports of turkey to undercut home producers in the British market roused a chorus of protest at the annual conference of the British Turkey Federation in Eastbourne yesterday.

Mr. Raymond Twiddle, federation chairman, said farmers were "outraged" that the future development of their in-dustry was threatened.

He said he had heard from reliable sources" in Europe that with the blessing of the British Government, the European Community was preparing to open the UK turkey market to the Americans.

The turkey industry had been built up here without the benefit of Government or EEC grants. Now it would have to compete with cheap imports brought in free of EEC taxes

Other delegates at the meeting claimed the deal was part of a bargain struck at EEC level allow French wine and brandy shippers to increase their sales in the U.S.

## White Paper this week

THE REVISED version the Government's agricultural policy White Paper, Food from our own Resources, is to be published on Thursday after-noon, the Ministry of Agricul-

ture announced yesterday.

The original policy paper, published in 1975, was thrown hopelessly out of balance by the drought of 1976.

## China to raise farm imports

HOUSTON — China's Vice-Premier Deng Xiaoping (Teng Hsiao-Ping) predicted that Chinese imports of agricultural products will increase over the next three to five years.

Deng told newspaper editors here the main item would be food grains, but he did not give any figures
The most recent U.S. Agricul-

tural Department estimates put China's imports of wheat and coarse grains at 13m tonnes in the 1978-79 marketing year, up from 8.7m tonnes in 1977-78.

## Turkey deal DANISH DAIRY INDUSTRY

## NZ blamed for butter market disruption

BY CHRISTOPHER PARKES

butter market last year cost Danish exporters between £40 Jens Majgaard, chairman of shares of up to 47 per cent." Butterdane, sold in Copenhagen Last year, Mr. Weigeard said at the weekend.

The price in Britain, depressed ing, was a much as £180 a tonne lower during 1978 than the price Butterdane could have got for its supplies from the Danish intervention board, he

Blame for much of the disruntion lay with the New Zealanders, he claimed.

According to the 1975 "Dublin Agreement" between the Nine's heads of state (the agreement concluded British "renegotia-tion" of EEC membership terms) which set quotas for New Zealand until 1980, Britain's traditional Commonwealth supplier was allowed to send sub-stantial quantities of butter to the UK on condition that the shipments did not "disrupt" the market.

"For some time EEC policies

"Surely it was never the intention of the Dublin Agreement and £180 a tonne in losses, Mr. to give New Zealand market

Last year, Mr. Majgaard said, New Zealand's monthly share of butter sales have averaged by highly competitive market- 34 per cent and rose as high as 47 per cent.

Because of this the Com-

munity needs to adopt an en-tirely different attitude to NZ supplies when the current agreement runs out.

After 1980, he said, New Zealand should be forced to compete on equal terms with the Community suppliers. Now it enjoyed "preferential" status, "It would be wrong for us to set quotas for 1984 at the beginning of 1979," he added.

For the future he wanted to see quotas set yearly at the time of the Community's annual price review. Import levies should be set monthly, he argued to prevent recurrence of the disruptions of the past 12

New Zealand maintains heavy bave worked against the in-terests of EEC members in favour of a third country. While we recognise New Zealand's rises and import levy changes special position with regard to on its competitiveness, the UK, we believe they should Under existing arrangements no longer be allowed unfair the New Zealanders are com-

DISRUPTION of the British advantages," Mr. Majgaard said, monly given plenty of warning stocks from bond in advance of the adjustments, thus maintaining a low-price advantage in the event of levy rises which would normally lead to a sudden increase in prices.

Mr. Majgaard urged the British Government to take up the FEC Commission's new consumer subsidy on butter, put forward as part of this year's farm price review.

He said that since a similar subsidy was taken up in Den-mark last year, annual sales of butter had increased 7 per cent. The same could happen in the UK, he claimed,

He admitted that the sugges-tion that the UK Treasury should pay 25 per cent of the proposed subsidy of 12p a pound was a "tremendous problem." But, he added, since so many other elements in the price review proposals accommodated British demands, it would be "almost churlish" for the Government to reject the subsidy scheme,

Consumer subsidies could halt the fail in butter consumption in Britain and if maintained for two or three years could have a marked effect. He ferecast that butter sales here could recover in only one year

## Sharp herd decline forecast

BY HILARY BARNES IN COPENHAGEN

A SHARP decline in the size of the Danish dairy herd between now and 1990 is forecast in a coming report from the Danish College of Agriculture.

For Danish farmers the report places the EEC Commission's proposal for a progressive milk tax in a new relief. The tax, according to the Danish Agricultural Council, will cost dairy farmers some Kr 900m a year.

The farmers accept the necessity for price restraint for dairy products, but they are opposed to the variable tax formula proposed by Mr. Finn Olav Gundelach, Agriculture Commissioner. They fear the tax will be unpredictable and will undermine farmers' confidence in the

sion's proposals on compen-satory amounts. These will leave the German MCAs unchanged, but reduce Danish MCAs, giving German exports a price advantage over Danish

Denmark is the only country in the EEC to have maintained equal exchange rates for the green currency" ordinary currency.

The preliminary report of the Agricultural College predicts that the dairy herd will decline gradually from 1.15m head in 1978 to 1.01m in 1984. But

The Danish farmers are also most pessimistic forecast and strongly critical of the Commis- the final report, which will probably be published in about two months, is expected to contain a rather more optimistic alternative forecast for 1990.

A continued increase in milk yields means that the decline in milk production will be less than the decline in the herd. Mill: production will fall from 5.13bn kilos in 1978 to 4.97bn in 1984 and 3.62bn in 1990, according to the preliminary report.

Among the factors affecting production of livestock is the expected decline in the number of agricultural holdings and the agricultural labour force. The between 1984 and 1990, says the number of holdings will fall report, the herd will fall to from 125.000 in 1978 to 102,000 880,000. This however is the in 1984 and 88.000 in 1990.

## BRITISH COMMODITY MARKETS

BASE METALS

COPPER Hectic on the London Metal Exchange as prices Ructuated sharply or high levels in a continuation of the recent strong market. Forward metal climbed from £569 at the start to over £1,000 but spent much of the day oscillating between £562 and £1,000. Much of the strengon businese was at the higher end of this renge with Comax romaining limit-up. Most of the trading was thought to be of a speculative nature, with seme spin-off from the buildon market. But the strength of the price suggested thet some of the trade may have been short. The close on the Kerb was £384 but as Comex came of its limit, the London price descended

COPPER	oficial	+ or	p.m. Voolielei	+ =
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Description	+47.

One month Gold 246.70-248.40 I.G. Index Limited 01-351 3466. 29 Lamont Road, London SW10 0HS. Tax-free trading on commodity futures.

The commodity futures market for the smaller investor.

## **CONTRACTS AND TENDERS**

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE—INVITATION TO TENDER Tenders are invited for the supply and delivery f.o.b. stowed

(Food Aid Action No. 56). (b) 5,000 tonnes sorghum destined for Niger (Food Aid Action No. 57).

(a) 7,500 conner soft wheat destined for Mozambique

For both actions produce to be bagged in 50 kg bags marked "A Gift of Food Aid from the United Kingdom."

In respect of both actions delivery to the EEC port shall be within a period of at least 15 days selected by the tenderer, this period beginning no earlier than 15 days after the latest date is specified below for the submission of tenders. The price for the supply and transportation costs of the soft wheat and sorghum will be determined on examination of the tenders which must be submitted by 12 noon on 15th February tenders which must be submitted by 12 noon on 15th February 1979 to:— Home Grown Cereals Authority

Hamlyn, House, Highgate Hill, London N19 5PR. Notices of Invitation to Tender in respect of Food Atd Actions Nos. 56 and 57 respectively may be obtained, together with Tendering Forms from Branch B (Cercals). Internal Market Division, Intervention Board for Agricultural Produce, 2 West Mall. Reading. (Tel: Reading 583626.)

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NEW EXPANDED COMMODITY CHARTS



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SILVER per trop or,	Builtien fixing price	; <del></del> !	L.M.E.	-
Spec. 3 months. 6 months. 12 months.	356.5p 376.7p	+24.)	359p 369.45p	+21.5

356-357-0 (709-711c).
LME—Turnover 22? (285) lots of 10,000 czs. Morning: Three months 367, 5.8, 6.3, 5.8, 5.7, 5.5, 5.5. Kerbs: Three months 365.3, 4.7, 4.8, 65, 4.8, 474 cmost; Three months 365.5, 67, 65, 67, 7.1, 7.2, 7.3, 8.5, 8.8, 69, 9.5, Kerbs: Three months 369.5, 8.5, 8.3, 7.5, 7.3, 67, 7.3.

Alter instill easiness. Commission

## House short covering steeded cocca futures during late dealings to close 525 higher than Friday's levels, reported Gill and Duffus. COCOA | Lione | Business | Lone Mansh 1002.0-34.9 +18.75 1694.0-60.0 May 1752.5-55.8 +27.75 1755.0-17.0 July 1772.3-74.8 +22.5 1775.2-55.0-17.0 Sept 1200.0-05.8 +21.0 1905.0-1760 Der 1200.0-05.8 +13.25 1845.0-55.8 March 1200.0-25.8 +13.25 1845.0-55.8 May 1880.0-25.8 +16.30 Sales: 7-7-7-7-7- lots of 10 tonnes.

for Feb. 2 150.3 price for Feb. 5:	4 (150.81)	. Indicate
price for Feb. 5:	15-day av	erage 158.6
(159.60); 22-d (164.51),	så Sasta	ge 153.5
COFFEE	•	
ROBUSTA coff		
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but trade solling pared gains alighting to produce a well overduce fill mirrors.

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COPPER	Yesterday's Close	+ 0	Bosiness Done
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March	1335-1334 1870-1871 1208-1209 1167-1168 1139-1140	+2.5 +8.0 +1.5 +2.0 -3.0	1470-146 1346-156 1263-129 1223-121 1179-117 1150-118 1120-110
ICO Indici (U.S. cent	372 lots of ator prices per pou	nd);	Feb. 2

Kovember January Mareb	1139-1140 -	-3.0 1I	50-118
Sales: 4,37 ICO Indicat (U.S. cents Mild Arabics Mild Arabics ICA 1976 133 1988 133.50 130.42 (130.5	per pound as 149.50 icas 131.00 s 128.00 (12 .00 (133.50); (134.00).	for F (148.00) (5eme) (567); R Robust	eb. ombia ), un ; othe iobust; as (C.
GRAIN	4.6		

LONDOM FUTURES (GAFFA)—Grains opened 10p lower on old crops enchanged on new. Wheat values in very thin voisine eased on commercial selling to close 30-40p lower on the day. Barley saw some buying interest initially but values also ested in quest trading conditions to close 30-30p lower or values closed 10-20p lower on the day, ACLI regorted.

01097	an the	day. AC	Li Paport	ed.
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27.00,	Sales 9	D 5-å* 1 <b>∩−2</b> 0*'/	AJ, 1994.	87.0
reed Camb	WIDERE	Central M	Scotland	97.0

Cambridge St.20. Feed balley: Central Scotland St.18. Cambridge St.40.

The UK monetary conficient for the week beginning Feb. 12 (based on HGCA calculations) is expected to remain unphanned. remain unchanged.

HGCA—Regional and UK average exterm spot prices for week ending Thursday, February 1. Other Milling Wheat: East 31.80; E. Midtands 90.80; W. Midlands 52.10; K.E. 84.50; U.K. 97.80. Feed Barley; S.E. 83.30; S.W. 84.50; East 84.10; E. Midlands 83.90; W. Midlands 83.90, U.K. 83.90. W. Midlands 83.90, U.K. 83.90, U.K. ferward prices for delivery during; April. M. Wheat (bread) 96.10, M. Wheat (other) 94.50, Feed Wheat 92.40, Matting Barley 91.70, Feed Barley 85.80, May. M. Wheat (other) 95.70, Feed Wheat 94.40; Malting Barley 99.10, Feed Sarley 89.40, [MAPORTED—Wheat CWRS No. 1 132, [MAPORTED—Wheat CWRS No. 1 132] IMPORTED—Wheat: CWRS No. 1 132-per cent unquoted, U.S. Dark Northern Spring No. 2 14 per cent unquoted, 15 per cent Feb. 95.50. March 91.25, transhipment East Coast. U.S. Hard Winter 132- per cent Feb. and Moreh 88.00 transhipment East Coast. EEG unquoted. Maizes U.S./French Feb. 108.50. March 108.50, transhipment East Coast. South Akrican White second half Feb., first hall March 73 Glasgow.

## South African Yellow second half Feb., first half March 73 Glespow. Barley: English feed f.o.b. Feb. 90.50. Merch 91.00. April/June 82.75-83.50, Eset Coast sellers. Cosst sellers. MARK LANS—The market was quiet inactive. Con-MARK LANE—The market was quist and predominantly inactive. Consumers were unwilling to follow increased prices. Milling wheat delivered London: March 26,000. April/May/June £100.50. Denaturable quality wheat held East Anglia: March £94.50, April/May/June £86.00. Barley delivered East Anglia March £90.00.

## SOYABEAN MEAL

	Yesterday Close	+ ×	Bosone Dune
	Epertonne		
Pebruary	152,04-35.5	152	10年41月
April	128.40-28.5	+ 3.15	129.70-28.30 150.90-25.50
August	130.00-30.7	+5.90	130.20.50.00
Octoler Decemter			728.88-27.08
December	195 01 92 8	115	107 68

## Saint: 233 (100) lots of 100 tonnes. ABOUT UNCHANGED opening on the London physical merket. Good remainal interest, closing quietly steady. Lewis and Peat reported the Malaysian godown price was 242 (241) cants a kito (huver, Pebnary).

kilo (b	uyar. Febru	tary).	
Ko. 1 2.8.8.	Yestening's Cines	Previous Close	Business Doue
Jy-Sept. Oct-Dec Sales: (530) id Physic ware: S	61.90-62.20 62.48-82.66 54.58-84.48 66.30-68.86	71.40-71.46 78.46-76.50 ots of 5 to ornes. g prices 59.5): Mar	62.70-61.86 64.56-65.49 96.36-65.44 68.20-67.80 72.10 74.15-74.40 mnex; 526 (buyers)

SUGAR LORDON DALLY PRICES (new sugar):

196.00 (197.00) a nonne cit for Jan.-Feb.
shipment. White sugar daily price was
fixed at (26.50 (198.00).

The market hirst traded some 50
points below pre-weekend levels hut
recovered tollowing good buying from
one quarter belore prices again fell
back, reported C. Czernikow. Later,
however, renewed Commission House
huying daweloped following general
strength in hard commodities and
precious motals and the market closed
at the high points. The prompt position
did not follow the rally so that March
closed around 55.00 below May having
recently been at only 63.00 discount.

Sugar

March ... 105.04-85.05 186,50 04.55 186.25-04.25 May .... 116.00-10.00 180,75-08.30 110.00-00,70 Aug .... 114.40-14.45, 112.98-15.00 114.58-15.00 Oct. .... 116.95-17.00/115.70-15.71 112.00-18.75 Der ..... 116.95-17.00/115.70-15.75 112.00-18.75

#### PRICE CHANGES Price in tanes unless atherwise

	Feb. 5 1979	+ ~	Month Sgo	
<b>Lotals</b>	{			
Huminium	. \$1,290,80	*****	81,235,55	
montin da. do	.£1,000.5	+44.5	£804.25 £775.25	
mention de. de loidTrey ex cond cook	F244.62S	+15.25	S225.375	
mosths	.2508.5 .2520.63	-2.25	¥432.25	
Free Market(cif)(lb	\$1.65   1.85		1,76	

ant (Phil)....... \$1,026r + 15.0 \$956 Malayan...... 8664a: +

Other Commodities 

\* Nominal. † New crop. † Unquotad. n Jan.-March. g Jan.-Feb. r Feb.-March. s March. 2 Feb. v March. April. w April. z Per ton. 2 Indicator. 375 4, 375.0-375.0, 2; May 376.5, 378.5, 377.0-377.0, 4; July 378.0, 381.0, 379.5 379.0, 9, Sales: 80.

LONDON GREASY—Close (in order buyer, seller). March 214.0-220.0; May 217.0-224.0; July 217.0-225.0, Oct. 230.0-280.0; Dec. 221.0-240.0; March 224.0; May 235.0-224.0; July 226.0-247.0, Sales nii.

NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller). March 180.0-NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller). March 180 to 184.0: May 184.0-187.0; July 184. 188.0: Oct. 187.0-190.0; Dec. 190.0-194.0; March 191.0-195.0; May 193.0-199.0, July 193.0-198.0. Seles nil.

**MEAT/VEGETABLES** 

AMERICAN MARKETS NEW YORK, Fab. 5.

Coopse—March 148.75 (147.00), May 151.75 (149.45), July 153.85, Sopt. 155.80, Dac. 188.80, March 180.80, May 161.80 Sales: 830.

Coffee—" C "Contract: March 127.75 (128.75), May 124.70-124.75 (128.14), July 144.25-124.40, Sept. 123.75-124.90, Dec. 122.50, March 120.52-121.50, May 120.31 saked, July pill. Sales: 1,370.

Copper—Fab. 84.95 (83.251), March 20.52-121.50, May 120.31 saked, July pill. Sales: 1,370.

Copper—Fab. 84.95 (83.251), March 185.40, May 85.50, July 85.40, Sept. 85.30, Dec. 85.10, Jan. 498.85 (83.251), March 188.30 (83.10), April 85.40, May 84.75, July 84.65, Sept. 84.50, Dec. 85.10, Jan. 498.85 (189.25), Jan. 498.85 (199.25), Jan. 498.85

(571.00). CHICAGO, Feb. 5.
Land—Chicago loose 24.00 (24.25).
New York prime steam 25.50 nom.
(25.75 traded). 1284-251.
May 2441-2441, (24.3). July 2491-2492.
Sept. 252-2511, Dec. 2531-2551; March

asked (190.80 bid), Oct. 104.00 brd, Oct. 104.00, SOats—March 86.50 (88.00 bid), May 84.20 (83.60), July 83.10 asked, Oct. 83.50 asked, Dec. 83.60, SBarley—March 78.40 (77.70), May 79.60-79.70 (78.70), July 81.60 asked, Oct 84.80 asked, Dec. 84.70 bid. SFlasseed—May 342.20 bid (338.00 bid), July 326.90 bid (332.70), Oct. 334.50 asked, Nov. 330.00 asked, Dec. 327.50 asked. 327 50 asked. \$Wheat—SCWRS 13.5 per cent pro-

## EUROPEAN MARKETS

ROTTERDAM—Feb. 5.
U.S. No. 2 Dark Hard Winter wheet
13 5 per cent. Mch. S157 U.S. Hard
Winter wheat ordinary Mch./Apl. S155.
U.S. No. 2 Red Winter wheat Mch.
S161. Apl. S153. May S152. U.S. No. 2
Northern Spring wheet 14 per cont.
Feb. S169. Mch. S165. Apl. May S144 50
MAIZE.—U.S. No. 3 Corn Yellow Apl.
S120. Fob. S118 50, Mch. S117.50, Apl./
Jne. S116.75. Jly./Sep. S116.75. Oct./
Dec. S117
RYE.—U.S. No. 2 Canadian Western
Apl./May S111.
QATS.—Norwegian Feb. S107. 2/40
U.S.—anguotad.
U.S./Plate — Feb.
S31.25. Apl. S100. Swedish—Spita
S25.50. 1/Canadian (red/—unquotad.
SORGHUM — Argentinian/U.S.—AFI.
S117. Feb. S118. Mch. S117. Apl./Jno.
S107.
SNyahpans 14 S. 3 Vallow Gulfongt.—

\$107.

Soyabeans U.S. 2 Yellow Gullport:—

Allegt \$288. Fab. \$290.75, Mch. \$292.25,

Aor. \$295.75 May \$296. June July Aug.

\$298. Sept. \$297.75 Oct. \$279.50. Nov.

\$277.50, Dec. \$281.25, Jan. \$284.75,

sellers. U.S./Brazil—unquoted. Lakes—

unquoted. Argentins—May \$285.50.
June \$256.75 sellors.
Linsoed Conadian one Atlantic—Apr./
Mr. \$320.50. May, June June July July/
Aug. \$315.75. Oct./Nov. 312.50. Nov./
Dec. \$313.50 sellors. Pactic—unquoted.
U.S. one—unquoted. Argentins—unquoted.

PARIS, Feb. 5.
Cocoa (FFr per 100 kiles)—March
1375-1334, May 1412-1413, July 14201470, Sept. 1470-147, Dec. 1481-1500,
March 1500 asked. Sales at call 4.
Accumulative total 24.
Coffee (FFr por 100 kilos)—March
1208-1220, May 1155-1159 July 10311100, Sept. 1040-10.45, Nov 1007-1018,
Jan, 330-1000, March 957-985. Sales at
call 1. Accumulative total 69. PARIS, Feb. 5. call 1. Accumulative total 69.
Sugar (FFr per 109 kilos)—March
846-849. May 878-879. July 992-900.
Aug. 920-929. Oct. 953-955. Nav. 940950 Dec 970-980. March 1000-1020.
Sales at Call oil.

DOW JONES

Spot ... 576.40 575.14 384.06 548.56 F tur's 570.41 569.18, \_\_\_\_

(Average 1924-25-26=100)

REUTERS

Feb. 5 Feb. 2 M nth ago Year ago

### INDICES

FINANCIAL TIMES.

Feb. 3 Feb. 1 Minth ago, Year ago 265.23 362.25 269.09 327.56 (Base: July 1, 1952=100)

MOODY'S Feb. 2 | Feb. 1 |M'nth ago Year ago 1018.5 1011.4 977.2 896.6

1530.7 1615.6 1491.8 1399.8 (December 31, 1931 = 100) (Base: September 18, 1931 = 100) MEAT COMMISSION - Average lat-

Stock prices at representative markets on Fabruary 5. G.B. cartle 72 200 per kg 1.w. (-0 95). U.K. sheep 145.0p per kg est.d.c.w. [+4.6]. GB. pags per kg est.d.c.w. (+4.6). GB. prgs 60 4p per kg l.w. (-1.5). England and Wales. Cattle numbers up 25.6 per cent, average price 72 50p (-1.18). Sheep numbers up 19.5 per cent, average price 144.5p (+3.4). Prg numbers up 2.7 per cent, average price 60.3p (-1.6). Scotland: Cattle numbers up 17.6 per cent, average price 69.83p (-0.44) Sheep numbers down 8.3 per cent, average price 145.9p

FINANCIAL TIMES STOCK INDICES

## Equities heed Gilt weakness and turn distinctly easier but Mining issues respond to soaring commodity prices

Dealings tions Dealings Day Jan. 15 Jan. 25 Jan. 26 Feb. 6 Jan. 29 Feb. 8 Feb. 9 Feb. 20 Feb: 12 Feb. 22 Feb. 23 Mar. 6

Heeding the international and domestic events which they had surprisingly tended to disregard in recent weeks, the equity sections in stock markets yesterday turned distinctly easier. The market in Gikt-edged securies, on inflationary and interest rate fears to its sixth successive day. Further gloomy economic forecasts, the threat of a total strike at BL Cars, and the larger-thanexpected first-quarter cutback in British Petroleum's crude oil supplies added to current nervousness over the Jabour crisis and resulted in a down-ward adjustment in leading in-

dustrials at the outset. For a while, the general price level held at slightly lower values but the tendency quickly wilted when recent buyers of secondary issues decided there were profits to be taken and changed to the selling tack. The leaders picked up the weaker trend almost immediately and, although overall selling pressure was described as relatively light. double-figure falls began to

The FT Industrial Ordinary share index was showing a fall of 8.1 at 1 p.m., but occasional bear-closing just before and after the official close of business reduced price falls and the index ended a net 6.6 down at 460.7, its lowest closing level since July 7 of last year. Business increased and official markings, at 5,086, were the highest for a

Fresh selling was induced of Gilt-edged securities, particularly of longer-dated stocks which, after staging a modest rally, reverted of the lowest of the day on disappointment with the January Wholesale Prices indices. Final losses in the area extended to a ss in Treasury 141 per cent 1994, at 1001. The shorted maturities were less vulnerable and fluctuated narrowly before ending just a shade

Mining issues responded sharply to the boom in com-modity prices. South African Gold shares rose 11 points and occasionally more in the wake of the soaring bullion price—up \$13} at \$244}—while precious and base-metal producers enjoyed continued firmness with Platinums again notable. The investment currency pre-

Reflecting a surge in the gold bullion price, Consolidated Gold-fields attracted a good traded option business and recorded 236 contracts out of the overall total

#### Banks down

Talk that the major clearing banks will soon raise their base rates unsettled the big four which proceeded to drift lower support, Lloyds lost S to 283n. while Barclays ended a similar amount easier at 375p. Still reflecting the disappointing interim statement. Guinness Peat gave up 5 more to 110p. Dearer money fears brought easier conditions to Hire

Insurances featured by rewened weakness in Christopher Moran, which feil a 1978-79 low of 39p. Dull spots in Composite included Sun in Composite included Alliance, which fell 12 to 496p.

After a dull opening, Brewery and kindred issues met a little support and beld steady at slightly lower levels. Beliharen added a penny to 42p following the emergence of buyers. In Distilleries, Arthur Bell were particularly dull at 174p, down 8. Building descriptions drifted lower from the outset. Blue

Circle, a firm market of late, relinquished 6 at 250p and Tunnel "B" finished 3 down at 292p. In Constructions, Costain issues came on offer, the ordinary and deferred shed 6 apiece to 160p and 120p respeccompany's Iranian losses might he less severe than expected. George Wimpey hardened a penny to 73 p. Vibroplant firmed 4 to 217p in response to the higher interim profits, and, reflecting Press comment, Manders touched 114p before settling 3 up on balance at 109p. The absence of an increased offer from Norcros prompted profit-taking in Johnson-Richard Tiles which ran back 6 to 132p but Brown and Jackson, in a thin market, added 5 to 275p, after

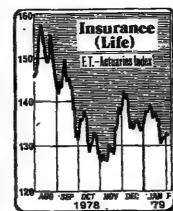
ICI resisiance to the dull trend, and, after a reasonable trade closed 2 cheaper at 353p. By contrast, turnover in Fisons remained small with the close 5 easier

Leading Stores sucrumbed to bilitles. Grain merchants Sidney 248p and the new nil paid 5 to while Randfontein were a point the general dull trend with C. Banks attracted buyers, and. 30p premium. higher at £354 and Buffels a half-Option

\*First Declara- Last Account considerations to close a net 24 down at 941 per cent. Yester-lan. 15 Jan. 25 Feb. 8 Feb. 9 Feb. 20 0.6704 (0.6688).

\*Leading Stores Sucremoed to busy two-way trading on sterling the general dull trend with the general dull trend with general dull trend with the general dull trend with general dull trend with the general dull results left MFI Furniture 7 cheaper at 200p. Cautious Press comment clirged a penny from Bolton Textile at 21p and Excalibur Jewellery softened a fraction to 181p in reaction to the lower first-half earnings. Wilkinson Warburton, on the other hand, firmed 4 to 98p following renewed demand in a

> Electricals took a distinct turn for the worse, with many of the recent high-fliers recording fairly substantial losses. Bacal dipped 12 to 342p, while other Electronic



included Farnell, 410p. Ferranti. 363p, and Eleirocomponents, 330p. Unitech, a good market of late, ran back 3 to 178p, awaiting today's interim results. GEC were unsettled by the proposed cut back in Iranian defence spending and eased to 318p initially before closing 2 cheaper on balance at 322p.

Sporadic selling of the Engin-eering leaders found the market eering leaders found the market unwilling. Hawker Siddley were particularly dull and reacted to 200p before rallying to settle at 204p for a fall of 10. Losses of 6 were marked squinst, John Brown, 386p. and Tubes, 354p. while GKN eased 5 to 238p. Elsewhere. Baker Perkins, a good market of late on bid hopes, shed 4 to 162p, but favourable Press mention left Acrow, 106p, and Adwest, 290p, up 2 aplece. Mining Supplies improved 5 to 131p awaiting tomorrow's interim figures. In contrast, Whessoe, the subject of recent favourable comment, reacted 4 to 97p.

Among Foods, Tate and Lyle eased 4 to 142p, but Spillers improved a penny to 35p on Press comment highlighting bid possi-

Houses Forte met profit-taking and eased 5 to 263p, after 260p. Ladbroke gave back nearly all of Friday's late rise of 6 at 174p.

#### ICL react

Miscellaneous Industrial leaders started the week with price falls to 5. Glaxo lost that much to 475p, after 473p, while much to 4/39, after 2/39, while Pilkington declined a similar amount to 285p and Beecham softened 3 to 612p, after 603p. In secondary issues, stocks which have performed particularly well of late fell away sharply on profit-taking. ICL, for example, lost 20 to 442p and Sotheby's relinquished 15 at 372p. Marchalls Universal fell 2 to 1440 reinquished is at 372p. mar-shalls Universal fell 8 to 140p and De La Rue, 353p, and May-nards, 135p, dipped 7 apiece. Alpine Holdings, up 171 last week, reacted 5 to 95p. Stormgard however, saw buying in a thin market and closed 5 to the good at 13p, while Tebbitt were also wanted at 12p, up 1½. Poly-mark gained 2½ to 54½ in response to Press comment, while M.Y. Dart put on 3 to 55p

Motor Components generally closed lower following the threat of a major stoppage at British Leyland. Lucas slipped 7 to 270p, and Dowty, following Friday's rise of 9, lost 6 to 263p; Dowty's interim results are expected tomorrow, Supra touched 55p before ending a net penny better at 54p on favourable Press comment. Elsewhere, conditions were dull although the level of business was negligable. British Car Auctions, a firm market of late, eased 4 to 641p. Rolls-Royce finished a couple of peace lower at 95p as support diminished following the cutback in Iranian defence orders.

Following the rejection of Wereldhave's latest 46p per share cash bid, dealings resumed in English Property at 47p, and, after a brisk two-way trade, the price settled at that level compared with the suspension price of 44p. Other leading Properties encountered a little profit-taking, but losses were usually confined to a few pence. The possibility higher interest rates failed to deter buyers of selected secondary issues where Mountview Estates, 110p, and Evans of Leeds, 99p, both gained 4. Warner Estates rose 8 to 158p and Property Partnerships 5 to 120p. In contrast, recently firm Hasiemere encountered profit-Haslemere encountered profit-taking, the Ordinary easing 6 to in Edgar Allen Balfour, AGB, and Pacific Copper.

Oil shares moved against the general trend. Among the leaders, a rise of 10 to 936p in British Petroleum mainly reflected Wall Street advices. Shell traded quietly, but eventually edged up to close a few pence dearer at 500p. Elsewhere. pence dearer at 590p. Elsewhere, weekend Press comment on the full report enlivened interest in Lasmo which advanced to 155p before closing at 152p for a gain of S; the OPS rose 15 to 395p, while Cawoods firmed 7 to 150p

#### Advance in Mines

The continuing boom in basemetal prices and a burst of strength in precious metal prices enabled mining issues to stage a broad advance.

A weakening in the dollar pushed the gold price up \$13.25 to \$244.625 per ounce and prompted a heavy demand for South African gold shares.

Prices opened on a firm note and thereafter staged a rapid advance fuelled by persistent and heavy American buying. The Gold Mines index climbed 9.5 to 181.4 its highest point since mid-September last year, while the ex-premium index put on 6.6

to 121.6. Gains in the heavyweights rauged up to £1; as in Vaal Reefs, £17, and West Driefontein, £24).

Shell Transport... 250

RTZ 25p Guthrie Corp. ... £1

Barclays Bank ... £1

BAT Defd. .....

Land Secs. Inv....

DEALING DATES

Jan. 23 Feb. 5 Apr. 19 May 1 Feb. 6 Feb. 19 May 3 May 15

For rate indications see end of

Share Information Service

Deal- Declara- Settle-ings tion ment

Mar. 5 May 17 May 30

7 10 18

132p

Distillers '

Denomina-

point better at £101.

In the medium-priced issues rises of between 30 and 45 were common to Doormontein, 323p, Kloof, at a 1978-79 high of 686p. Libanon, 578p and Southvaal, 543p. Among the marginals 543p. Among the marginals South African Land advanced 51

to 80 p.
A sharp rise in the free market platinum price encouraged a good demand for Rustenburg, 10 better at a 1078-79 high of 154p. Lydenburg 8 firmer at 100p and Impala, a like amount up at 226p. The boom in base-metal prices, particularly copper, which pene-trated the £1,000 a tonne level for the first time since mid-1974. led to further widespread gains

Despite a sharp decline in UK equities Rio Tinto-Zinc rose 6 more to a 1978-79 high of 284p, while Gold Fields added 4 to 204p overseas copper producers showed Roan Consolidated another 10 up at a high of 110p. Messina 7 better at 104p and Palabora 30 firmer at 600p. Vogels, the South African base-metals investment concern,

jumped 12 to 95p. Australians attracted a good London demand. North Broken Hill and Western Mining were respectively, while EZ Industries, 8 better at 300p, responded to favourable Press mention.

P & O Deferred, Bank and

Commercial, Lonrho, Consoli-

dated Gold, Westland, John Foster, Bolton Textile, Tewn

and City, EMI, Barker, and

Dobson, Laurence Scott, Tri-centrol, LASMO, Spillers, and

Associated Bisenits. No puts

be completed included Bolton

Textile, Bank and Commercial

were reported, but doubles

ACTIVE STOCKS

OPTIONS

#### 65,57, 65,80 66,04 66,27, 66,39 66,54 74,05 66,91 67.21 67.74 67.93 67.96 67.98 78.02 Fixed Interest..... 460.7 467.3 468.5 467.7 466.0 463.3 458.1 181.4 171.9 166.8 165.3 167.2 168.2 151.6 Gold Mines..... 121.6 115.0 112.2 112.4 113.0 113.7 114.9 Gold Mines(Ex-\$ pm) 6,14 6,14 6,15, 6.19 6,22 5,83 6,21 Ord. Div. Yield ..... 16.24 16.07 16.06 16.11 16.20 16.28 17.78 Earnings, Yid 🖫 (fuil) 8.09 8.05 8.01 7.96 7.97 8,07 7.95 P/E Ratio (net) (\*)----5,086 4,835 4,083 4,293 4,555 4,267 6,411 Dealings marked... 84.77 88.21 56.24 66.92 57.15 62.89 Equity turnover £m. 13,675 13.184 11,657 15,343 18,413 13,784 Equity bargains total 10 am 464.0. 11 am 482.8. Noon 450.4. 1 pm 458.2. 2 pm 459.2. 3 pm 459.6. Letest index 01-246 8028. Nim 7.76. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/65. Ex \$ premium index started June 1972, SE Activity July-Dec. 1942. HIGHS AND LOWS 1978/9 Since Compilat'r High | Low | High | Low 127.4 49.18 (9/1/50) (3/1/76) 150.4 50.33 (26)(1147) (3/1,75) 66,91 (5/2/79)

#### NEW HIGHS AND LOWS FOR 1978/9

535.5 483.4 549.2 48.4 (14/9/13) (26/18) (14/9/17) (26/6/40)

208,6 124,1 442,3 41.5 (14/8/78) (22/31/78) (22/8/75) 28/10/71)

Gold Mines 132.3 90.3 337.1 54.3 (Ex-6 pm)... (14)8)76) (IE/4/78) (3/4/74) (25/8/76)

NEW HIGHS (54) CANADIANS (1) CHEMICALE IT STORES 44) Kunick Bakers Storos Kunick Boardman (K. O.) Wilkinson BLECTRICALS (2) ENGINEERING (3) Sanks (S. G.) INDUSTRIALS (7)
AGB Research Diploma InvaBarlow Rand Hamilborna
Trictus NEWSPAPERS (1)

PERTY (8)
Prop. & Rev. 'A'
Regional Props.
United Real Prop
Warnford | av. SHIPPING (1) TEXTILES (1)

RUBBERS (1) Bertam Cons.

## NEW LOWS (85)

Funda. Sipp: 185-87 Enries. 120: 1988.

Froat. 73-86-88 Tress. 9: pc 1989.

Frants. 50: 78-88 Tress. 9: pc 1989.

Frants. 50: 78-88 Frees. 9: pc 1989.

Frants. 50: 186-89 Frees. 10: pc 1989.

Frants. 50: 186-89 Frees. 12: pc 199-02

Frants. 14: pc 1990.

Frants. 14: pc 1991.

Frants. 12: pc 1992.

Frants. 1991.

Frants. 12: pc 1992.

Frants. 12: pc 1993.

Frants. 12: pc 1993.

Frants. 14: pc 1994.

Frants. 18: ps 1994.

Frants. 19: ps 1994.

Frants. 19: ps 1994.

Frants. 19: ps 1994.

Frants. 19: ps 19: Midland 10%pc 1993-98 ICI Apc Pf. FOODS (1) Tate & Lyle INDUSTRIALS (2) Glaxes MOTORS (1) FUNDING ROSE VIE. (1)
Fruncing Rose VIE. (2)
Courtenies 7pc Deb. (2)

## RISES AND FALLS

Corpns., Dom. and Foreign Bands Industrials Inancial and Prop. 334 872 1,207

## A FINANCIAL TIMES SURVEY

## **SOUTH KOREA**

**APRIL 2 1979** 

The Financial Times proposes to publish a Survey on South Korea. The main headings of the provisional editorial synopsis are set out below.

Introduction: South Korea's economic growth may slow slightly in the next year or two but will still be extremely rapid by world standards. As an exporter the Republic will make an increasing impact on world markets and will begin to offer strong competition to Japan. The political climate remains fairly harsh, reflecting South Korea's belief that it still faces the threat of invasion from the north.

The Economy **Politics** Defence

Relations with North Korea Relations with the U.S. Relations with Korea

Relations with Europe Trade

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## FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER-

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## LONDON TRADED OPTIONS 1011111 144p 205p 109p 821p 302p

### RECENT ISSUES

BOC Intl. Boots Boois EM! EM! RTZ RTZ RTZ Totals

### EQUITIES

Amount Paldut Parter Parter Date	1978/79 High Low	Stock of	ar	Amount	Gross Ario
0.50 F.P. — 66 F.P. — 55 F.P. 10/1 F.P. 16/3 F.P. 9/2 10 F.P. 17/1	132 118 104 89 34 31	Caledonian Hidgs 9 Harris Queensw y25p 17 Hunting Assoc. Deld., 12 HIAS Cargo Airlines, 10	36 -4 70 -4 55 +2	17.8 P2.8	2.5 8.0 7.6 8.1 6.5 7.5 3.74.2 (M.8 1.8 6.6 12.4

## FIXED INTEREST STOCKS

Price Price Am'unt Paid up Renuic Bete	1978/79 High   Low	žtock	Price E	† <u>°</u>
Nil	1pm 1pm 100   89% 100   29 96p 129 103 138p 1138 101   101 107p   102p 99p 97a	Assoc Dairies 94:2 Pref. Chapstow Race'e 62 Cnv. Uns. Ln. 1988 Come Valley Water 62, Red Prf 1983. Findiay 62 Cnv. Cum. Red. Prf. Hawley-Leisure 182 Cnv. Uns. Ln. 1868; HitlaS Caryo Airlines 63 Cnv. Prof. £1. Mid Kent Water 63; Pref. 1964. Elvington Reed 94; Znv. Cum. Red. Pref. Seascope 104; Pref. Shaw Garpets 102; 2nd Cum. Pref.£1.	1pm 1001 <sub>2</sub> 98p 129 137p 1001 <sub>2</sub> 103p	+ 1

### "RIGHTS" OFFERS

lesue Price p:	Am 'unt Paid up	Ren	test uno, ute	1970 High		Stock	Oldsing priose pt	+ or
60 125 68213 45 220 105 20c 10 18 28	F.P. NU Nii Nii	8/13 	9:2	581 <sub>2</sub> 58pm 25pm	47 18pm 19pm 19pm 24pm 1412	Associated Bleault Baker Peridins. Baiker Peridins. Foster (John). Hasiernere Estabes Neil & Spencer Possidon Sufer Electrical Defd. Swan Ryan Ind. York Fine Woollen	316pm 53 30pm 25pm 29pm 17	b +- ō

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

<b>-</b>				· ·								_	1.			
	EQUITY GR			Mon., Feb. 5, 1979					Feb. 2	Thurs., Feb.	Wed., Jan. 31,	Tues., Jan. '30	Year ago (approx.)			
& SUB-SECTIONS Figures in paranthems show number of stocks per section					Day's Change	Est. Earnit Yield (Max	% 3 2	Gross Div. Yield % (ACT at 33%)	Est. P/E Netts (Het)	index No.	Index No.	Index No.	ladax No.	ipdex No.		
1	CAPITAL GOODS	72)		229.54	-13	17.6	2 1	5.80	7.76	232.50	232.04	230,71	230,04	198,75		
2	Building Materials (			204.32	-1.2	18.7	9	6.42	7.33	206.85	206.19	202.94	293.33	172.54		
3	Contracting, Constru	346.82 539.55	-0.8 -1.2			5.94	6.43	349.73	350.83	348.80	347.65	316.20				
4		ctricals (15)						3.52	9.60	545.84	545.35	544.21	540.28	426.19		
5	Engineering Contract Mechanical Engineer			354.11 178.15	-1.8 -1.6			6.39	7.13 7:14	369.49	358.99 180.58	356.85	354.70	289.33		
. 8	Metals and Metal Fo			159.34	-12			9.02	7.96	161.34	160.50	179.73	179.21 160.53	164.85		
	CONSUMER COOD					-1	٦,				244.44					
11	(DURABLE)(53)			202.69	-2.1			5.35	-7.67	206.98	265.83	204.74	285.16	182.42		
12	Lt. Electronics, Radi			259.91	-2.3			4.02	9.62	256.63	263.33	261.61	262.88	218.81		
13	Household Goods (12 Motors and Distribut			164.65	-0.9 -1.9			7.06	7.49 5.58	165.08	164.86	164.88	165.55	169.82		
	CONSUMER SCOOL					1	۱ "	2,000	2.30	223.77	عجميد	225,68	225,88	111.11		
21	(NON-DURABLE) (			209.26	-13	26.6	7	6.17	天理	272,02	211.12	209.74	208.78	188.22		
22	Breweries (14)			226.95	-1.3			6.62	7.54	238.04	229.67	229.90	230.13	209.69		
23	Wines and Spirits (6) Exterialment, Cate		<del></del>	295.52	-1.7			5.08	9.28	298.50	296.09	294.92	296.09	238.33		
24 25	Food Manufacturing			274.33 197.77	-1.8 -0.7			6.90 5.62	8.29 7.01	279.24 199.24	278.73 199.16	277,11	274.97 195.90	249.66 186.27		
26	Food Retailing (25).			231.09	-12			5.09	9.75	213.07	233.36	230.02	228.48	181.54		
32	Newspapers, Publish			379.26	-0.5		2	6.45	6.56	381.34	381.48	381.21	381.08	318.81		
33	Packaging and Paper			135.61	11			7.76	7.04	137.34	138.36	136.43	136.60	122.57		
34 35	Stores (40)	~~~~~		190.92	-1.6 -1.6	12.7		4.99	11.25	194.05	193.56	192.56	191.54	174.61		
36	Tobaccos (3)			175.97 250.97	-0.8			8.52 7.87	7.07 5.15	176.99 253.05	176.55 248.40	175.98	175.81	169.77 224.18		
37	Toys and Games (6).			93,44	-0.5	23.7		6.95	4.77	93.96	92.95	247.92 91.62	243.53	96.99		
41	OTHER GROUPS (9			193.89	-0.9	15.9	4	6.44	8.07	195.62	195.55	194.86	193.73	182.59		
42 43	Chemicals (19)			274.30	-0.6			4.90	8.03	276.03	276.23	275.94	274.43	246.41		
44	4 Office Equipment (6)		4 Office Equipment (6)		Office Equipment (6)		237.98 127.21	-0.8 -1.6			10.37 7.31		239.95	239,65 127,27	236.23	244.32
45							425.91	-11	14.5		7.31	1.72	420.30	127.57 421.42	424.43	126.78
46	Miscellaneous (57) _			211.87	-1.0	183		6.80	7.21	214.82	214,11	212.16	211.28	19L71		
49	INDUSTRIAL GROU	P(494)		216.77	-13	16.7		6.08	7.98	219.54	21,8,99	217.67	236,63	195.40		
. 끞.	500 SHAKE INDEX	<u></u>		525.01	+0.7	132	_	3.83	8,19	522.20	514.41	509.53	505.48	429.70		
59 61	FINANCIAL GROUP			242.26	-0.9	76.2	2	5.72	7.94	244.57	243.40	241.89	240.79	215.18		
62				170.30 201 13	-2.4	23.4	,	5.72 5.86	6.40	172.73 206.61	172.12	170.31	169.49	15151		
63	Discount Houses (20)	)		207.36	-15	125		8.80	5.40	210.57	207.12 211.59	204. <u>61</u> 210.78	204.70	179.53		
64	Hire Purchase (5)			162.05	-1.8	19.7	2	5.40	6.51	164.99	164.61	165.44	164.63	157.01.		
65 66	Insurance (Life) (10) Insurance (Composite			131.90	-0.6	-	- [	7.12		132.76	13L97	13L.77	131.63	135,49		
67	Insurance Compositi	D)		119.89 307.69	-1.9 -8.7	15.5	. }	7.31	-	122.26	121.61	119.78	118.37	123,77		
68	Merchant Banks (14)			79.02	-15	153	- 1	5.51 6.34	9.20	389.72 80.19	309,94 80,95	304.94 79.76	301.23	301.20		
69	Property (43)			283.43	-0.3	3.7	3	2.86	42.93	284.24	281.82	278,14	79.72 276.66	234.33		
70	Miscellaneous (10)	-		114.56	-0.9	19.5	3	6.88	6.35	315.62	113.41	112.79	112.61	104.45		
71	Investment Trusts (1 Mining Finance (4)			213.12	-0.4 +1.8	155	٠ ا	5.00	_	213.88	212.59	211.75	211.25	181.51		
91	Overseas Traders (20	]		322.58	-0.5	152		5.88 7.41	7.94 8.29	119.86 324.47	120.29 323.88	117.73 323.28	116.22	87.10		
99	ALL-SHARE INDEX	(750)		224.89	-	1	- 1		_				322.12 222.60	266.39		
_						<u> </u>		-		,	1 2020	223,92	1 555.00	14377		
	:	•						FD	CED INT	EREST	- 1	1	<u> </u>			
•	FIXED INT	ENEST P	RICE	INDICES		i		•	YIELI			Mon., Feb.	Fri., Feb.	Year .		
								Br. G	OFL AT.	Gross Red	- 1	5	5.	(approx.)		
_				1			1	Low		5 years		70.40				
	British Government	. Mor.,	Day			d adl 1979	ź	Coupan		5 years		10.48 12.22	19.45	7.89 20.15		
	ANDE GOVERNMEN	5	chang	e tos		date	3			25 years	****	13.04	12.98	10.67		
- 3 %			-	-	<del>-}-</del>		4	Medium		5 years		13.69		10.25		
1	l   Under5years		-0.0	2 -	- 1	0.76	5	Company		15 years		13.78	13.64	11.14		
2	5-15 years 165.10 -0.38			8 /	.	2.27	6			25 years		13.70	33.66	77,26		
3	Over 15 years	100.55	-03			137	7	High		5 years		13.72	23,68	16.99		
•					·		8	Company		15 years		14.25	1418	-12.86		
4	inedeessides	117.57	-8,4	<b>6</b>   -	.	9.00	9			25 years		1425	34.18	72-10		
5	All stacks	104.87	-0.2	#		2.99	10	Irredee	mables			12.67	12.61	10.65		
	<del></del>															
		<del></del>	<del>.</del>			_							:			
					Feb. 6	Fr.		Thur.	Wed.	Tues:	- Mon.	·F#: -	Thur.	Yest 7		
	I			}	Yield	Feb		Feb.	Jan. 31	. Jan.	Jan.	Jan	Jan.	2.50		
_	<u> </u>			. No.	3	1 -	1	-		30	29	26	25-	zepresc)		
													. ,			

52,69

48,93

70,20

14.57

13,44

55.06 63.94

49.82 50.12

70.82 71.14

54.09 54.09

50.12 50.12

71.14 71.25 71.49 71.49

50.76 60.76 57.13

15 20-yr. Red. Deb & Loans (15) 52.75 114.04

Investment Trust Prefs. (15) 48.84

17 Coml. and Indl. Prefs. (20) 69.80



CORAL INDEX: Close 458-463

†Property Growth ..... †Vagbrugh Gparanteed...

Minster Fund Managers Ltd.
Minster Hye., Arthur St., ECA. 01-623 1050
Minster Lin. 29, 1372 372 15.91
Example Dec. 51 1012 1852 15.52 10277) 227300 Old Queen Street, SWIA 916. 01-930 7333 Management Co. Ltd.W Exclarge, EC2N INP. Wells, No. 00/12 22271 13 45.4 - 0.4 5.57 13 45.2 - 0.4 5.57 INSURANCE AND 1023 +0.1 1225 1000 -0.2 -0.7 1064 -0.1 -0.7 1064 -0.1 -0.7 1064 -0.1 127 1064 -0.3 1053 1064 -0.3 1053 1064 -0.7 538 01-437-5962 01-568 1212 55.11 -0.71 6.38 56C. Ltd.¥ 0494 55377 ham Road, High Wycombe
Fd. D18.2 126.4

to Fd. 116.6 722.4

interest F. D13.2 106.4

report Fd. 117.2 106.4

report Fd. 117.1 119.0

real Portfolio Life Ins. C. Ltd.V The second control of the control of | Commercial Union Groups | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1. INSURANCE BASE RATES 12 K 2Address shown under Insurance and Property Sund Table.

De, Actuer. 778.7
Tyrridal? Managers Lini-9
18, Caoyage Rand, Bristol.
Income Jan. 31 197.4
Capital Jan. 31 128.4
Capital Jan. 31 128.4
Capital Jan. 31 128.4
Caccam, Units) 188.4
Energia Jan. 31 122.5
Lot. Energ. Jan. 31 225.5
Lot. Energ. Jan. 31 225.6
Lot. Energ. Jan. 31 235.2
Lot. Caccam, Units) 188.4
Accoss, Units) 135.2
Location Jan. 31 188.8
Location Jan. 31 1 1432 031 225 1144 1452 1.60 1754 6.00 Landon Wall Group
Capinal Growth. 88.1
Do. Accom. 88.9
Extra inc. Growth 39.0
Do. Accom. 47.1
Financial Prity 11.6
Do. Accom. 27.0
Do. Accom. TSB Unit Trusts (y) Uister Bank♥ (a) Unit Trust Account & Mgmt. Ltd.
Ring William St. ECAR 9AR
Friars His. Firms 0403 64141 1073 -6.7 3.84 别二排 The Langton & ImWinslade Park, Exeter.
Can. Growth Fund...
&Flet. Execut Fd...
&Exercy Prop. Fd.
&Exercy Prop. Fd.
Ferbile Fund...
Inv. Trust Fund...

Brid. Deposit Fd.....
Grd. Deposit Fd...... wm. vepost Fd.

M. & G. Groep

M. & G. Groep

Three (Gars, Rower H.

Americant A. Bd.

Convert. Deposit

Extra Viel Fd. Bd.

Family 78.0\*\*

Family 78.0\*\*

Family 51.0\*\*

Git Bood\*\*

Internated. Bood\*\*

Inte 13477 1110151 1110151 773 01-686 9171 Scottish Widows' Group Scottish 902 Edishargh EHIS 933-645 6000 100-Ph Str. Feb. 1 100.6 100. Ph Str. Feb. 1 100.6 100. Ph Str. Feb. 1 100.4 100-81. Cash Feb. 1 100.4 Ex. Ut. Acc. Feb. 1 130.2 Ex. Ut. Her. Feb. 1 131.2 100.0 Peb. 1 100.2

Target Tst. Mingrs. Ltd. 4 (a) (a)

Target Tst. Mgrs. (Scotland) (a) (b)

91-99 New Landan Rd, Cher Barblean Feb. 1 \_\_\_\_\_\_75.6

指品是

56.0[ -0.6] 7.76

91.9 +0.3 3.68 78.0 -0.7 156 76.9 -0.8 3.49

- 344 - 34 - 34

Schlesinger Trust Mingrs. Ltd. (a) (z) 140, Seeth Street, Dorting. (0306) 85447

Pearl Trust Managers Ltd. (a)(g)(z)
252, Nigh Hobbra, WC1V TEB. 07.405,8441
Pearl Growth Fd. 24.3
Accomplishes 25.9
Pearl live. 33.2
Pearl live. 33.2
Pearl live. 33.7
Accomplisher 52. 35.7
Accomp. Units) 48.8
S0.4 - 6.3
S3.7
CAccomp. Units) 48.8

on Thomes 04912 6668 144.8 48.7 ...... 4.11

OFFSHORE AND **OVERSEAS** K.B. Int. Bd. Fd. .... SUS101.54 .... Barclays Unitern Int. (Ch. Is.) Ltd 1, Thomas St., Douglas, I.o.M. Bishopsgate Commodity Ser. Ltd. Britannia Tst. Mingmt., (CI) Ltd. 0534 73114 Negit S.A. 10a Soule-and Royal, Luvembourg NAV Jan 2b . . . . . . . . SUS12 83 | . . | Value Feb. 2 Next dealing Feb. 12. Capital International S.A. Rothschild Asset Management (C.I.) Paternoster Row, EC4 P.O. Bor NS712, Nassau, Batternes NAV Jan. 30 ...............[\$9517,74 18.87] ....... Emson & Dudley Tst. Mgt. Jrsy. Ltd. P.O. Bor 73, St. Heller, Jersey. 0534 20591 E.D.I.G.T. 128.4 ... 3.00 The English Association I ne baguiss Association
4 Fore Street, EC2
Eng. Ass. Sterling .....(S1.78 51.90
Eng. Ass. Sterling .....(S1.78 51.90
Wardpaste Cn. For Will 11.85 12.33ai 3.24
\*Next dealing Feb. 7. \*\*Next dealing Feb. 28.
Eurobond Holdings R.V.
Handelstade 24, Willemstad, Curacao
Lember Asporbs Intel, 15 Christopher St., EC2.
Tel. (1.24) 72/33, Telest 801.40/35
NAV per share Feb. 2 USS21.55 +0.25. Schroder Life Group Emergrise House, Portsmouth. | Strong St. | Network | Person | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 19 

10, St. George's St., Douglas IoM 0624 2501 Wren Commod, Tst. ...[111.7 112.8] .... ] —

Prices do not include 5 premium, except where indicated & and are in pence unless otherwise indicated. Visids % (shown in last column allow for all buying expenses. a Offered prices include all expenses. b Today's prices. I Visid based on offer price. I Estimated, B Today's prices. I Visid based on offer price. I Estimated, B Today's price in Price include all expenses or period price includes all expenses everyt agent's commission. y Offered price includes all expenses it bought through managers. I Prenous day's price. W Net of last on realized capital gains unless indicated by \$\phi\$. If Guerney group.

Suspended. \$\phi\$ Yield before Jersey tax. \$\phi\$ Ex-subdivision. \$\pmi\$ Only available to charitable bodies.

Wren Commodity Trust

Financial Times

Financial Times

Food, GROCERI

For a large transport of the property of the FOOD, GROCERIES-SHARE INFORMATION Seck contact-B.D. Kay BONDS & RAILS—Cont. CHEMICALS, PLASTICS-Cont. BANKS & HP—Continued INTERNATIONAL FACTORS LTD Stock Brighton BN1 4GX Tel: (0273) 606700 | High Law | Stack | Price | Net | Cw | 6ts | Price | Righ Law | Stack | Price | Net | Cw | 6ts | Price | Price | Net | Cw | Price | Net | 32 56.47 6 55.66 4 64.44 42 16.87 712 12.80 712 14.07 94 14.34 **BRITISH FUNDS** 12.20 2.25 8.67 9.53 8.45 3.80 Price + or Yield \_ Red. ## Shorts\* (Lives up to Five Years)

## Shorts\* **AMERICANS** £ + er 0tr. | YTE 1978-79 High Law Stack 234, 139, 22 Amar \$1, 250, 199, Amf 5% Coss. \$7, 399, 22 Amar \$1, 249, 119, 199, American Express. 149, 119, 1194, HOTELS AND CATERERS

151 | Brent Walter 50 | 520 | -1 | 127 | 19 34 |
154 | Camton int. 10p | 196 | -2 | 403.27 | 55 | 18 |
155 | Camton int. 10p | 15 | 16 | 17 | 15 | 37 |
16 | Epicare 5p | 15 | -2 | 40.33 | 12 | 31 |
17 | Grand Met. 50p | 117 | -22 | 474 | 43 | 61 |
18 | Brent Mat. 25 | 165 | 17 | 17 | 4.5 | 61 |
15 | Mr. Charlotte 10p | 24 | 0.50 | 33 | 31 |
15 | Mr. Charlotte 10p | 24 | 0.50 | 33 | 31 |
15 | Mr. Charlotte 10p | 24 | 0.50 | 33 | 31 | Finding 5-ga: 82-84; 794 4.6.90 10.91

Five to Fifteen Years

Each 12-ga: 1985 4.6.4; 807 -1.4 13.32 14.09

I reasury 5-ga: 84-86.4; 807 -1.4 10.39 12.50

I reasury 5-ga: 84-86.4; 807 -1.4 10.45 12.61

Transport 3-ga: 78-88 5-94 -1.5 5.09 9.77

Treasury 13-ga: 78-88 5-94 -1.5 5.09 9.77

Treasury 13-ga: 78-95 5-94 -1.5 5.09 9.77

Treasury 11-ga: 79-95 5-94 -1.5 13.78 14.02

Treasury 11-ga: 79-95 5-95 -1.5 13.78 14.02

Treasury 11-ga: 79-95 5-95 -1.5 13.81

Treasury 11-ga: 79-95 5-95 -1.5 13.81

Treasury 12-ga: 79-95 5-95 13.91

Treasury 12-ga: 79-95 13.91 INDUSTRIALS (Miscel.) 584 |-1 | 10.74 |

Years

190 | 1-1 | 14.33

887 | -1 | 13.98

764 |-1 | 13.48

764 |-1 | 12.89

109 | -1 | 14.52

109 | -1 | 14.52

904 |-1 | 13.60

67 | -1 | 12.95

1124 |-1 | 13.60

67 | -1 | 12.55

1124 |-1 | 14.50 Over Fifteen Undated **CANADIANS** INTERNATIONAL BANK 794 | Spc Stock 77-82 ..... | 804ati |-14 | 6.24 | 11.97 **CORPORATION LOANS** 974, 97 Newcastle Wapt 78-80 933, 987 13.66 1064, 98 Warwick 12:2% 1980 98 12.76 13.71 195 237 20 39 184 89 129 123 100 77 138 297 18 Medichine Bros.
Medichine Bros.
Medichines So.
Medichines So.
Medichines So.
Metarazz So.
Metarazz So.
Metarazz So.
Metarazz So.
Metarazz So.
Metarazz So.
Mining Sap. 10n.
Mitchell San 10n.
Mitchell San 10n.
Mitchell San 10n.
Mosta W. 20n.
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Financial Times Tuesday February 6 1979 INDUSTRIALS—Continued INSURANCE—Continued

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## FINANCIALTIMES

Tuesday February 6 1979



## **BL** Cars stewards vote for total strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDEN

stewards voted overwhelmingly in Coventry yesterday to call a total strike by the 100,000 manual workers. Mass meetings will be held at all 34 plants to has come to take a stand." consider the decision, and the stewards will meet again next

The proposed action is in protest at the company's insist-ence that production has not been sufficient to justify agreed parity payments.

The shop stewards' decision came under fire last night from Sir Keith Joseph, Tory spokes-man on Industry, who called for a secret ballot to be held before this madness goes

The strike was also opposed by Mr. Roy Sanderson, the Electrical and Plumbing Trade Union's national officer for en-

He emphasised that the sums involved in the loss of parity payments were marginal by comparison with the loss of pay that would result from strike

"Strike action at this time and inevitably strengthen foreign competition," he said. nd inevitably strengthen be splits between plants and However, output at 6.4 cars reign competition," he said. difference groups of workers could trigger the payment from But Mr. Phil Povey, the act- the strike call will begin to lose January and 6.1 from February.

ing Amalgamated Union of En-gineering Workers' national Mr. Ray executive member for the Mid-director of lands, said: "The men feel be-trayed. They believe the time Mr. Pat Lowry, personnel director of BL, made it clear in

Coventry later that there could not afford a Ford-type strike. We cannot expect to go through that kind of trauma and sur-

Main hope

Over the next few days the company would be "taking every step to impress on em-ployees that to be misled now into taking strike action over the parity issue would be one of complete and utter folly." The management's main hope

workers will heed the warnings and pull back from strike action. Mr. Michael Edwardes, the BL chairman, has earned a reputation for carrying through tough

where support is likely to be weakest are at

Mr. Ray Horrocks, managing director of Austin-Morris, said the company would be relying on the workers to make a sensible evaluation of the situation. The productivity targets to trigger parity payments were "sensible and reasonable."

measured against output in 1977, the worst for five years when average output per man was 5.77 cars. In order to back-date payments—worth up to £10 a week for some workers-to November last year output should have been at 6.1 cars in

the period to April this year. According to management, performance fell to 3.8 cars in November because of the strike at the Drews Lane, Coventry component factory and 5.2 in December. In January, partly because of the road haulage strike, production dropped to 5.1 cars.

Mr. Lowry promised that every effort would be made to ensure parity payments would be restored "as soon as possible.

Output at 7.3 cars would be will not only involve consider.

Triumph and wages,

able and unnecessary loss of two high-pay factories that March to back-date payments to two high-pay factories that March to back-date payments to stand to gain little from the November, and such a perform-parity programme. Should there ance is regarded as unrealistic.

or October.

tomorrow week.

This is a week later than planned because of a request for more time from union leaders, and despite claims that considerable progress has been made a lot of detailed drafting remains to be done. The real political worth of any agreement is still

BY LYNTON McLAIN

The deal brings the total value

pany by the Hong Kong Mass

Transit Railway Corporation to

Options for a further 70 rail

cars have also been taken out

by the corporation, for the seven mile second stage of the project. These could be worth another £25m to Metro-Cammell.

The company's first order for

the system, for 140 rail cars, was

## Tories take 19% lead in poll

Ministers and members of the

up by Treasury and union officials on economic and indus-

level of pay settlements.

are included in their rules:

up of a pay anomalies and differentials board.

There also appears to be some

possibility that any agreed docu-

ment will include a very general

cautionary warning about the problems caused by escalating

settlements during a pay round.

however, in a way that will not cut across pay negotiations for miners, power workers and other groups still to settle. Some

form of three-year inflation target has also been discussed. Although Labour MPs were

clearly taken aback by the message of the poll, they hoped it would make an agreement

This is likely to be worded,

There appears to be consensus

forced into an early election is shown in the latest opinion poll which gives the Control of the state opinion poll which gives the Control of the state opinion poll which gives the Control of the state opinion poll opinion po THE ELECTORAL disast: which gives the Conservatives a

The poll, by Market and Opinion Research International, shsows that 55 per cent of the electorate intend to vote Conservative compared with 36 for Labour, and 6 per cent for the

A Tory lead of 19 per cent would mean a landslide victory for Mrs. Thatcher.

he stark message of the poll, published in today's Daily Express, is that the industrial unrest of the past few weeks and the breakdown in the relationship between the Government and the trade unions has done Labour immense electoral

It makes it more vital than ever for Mr. Callaghan to reach a meaningful agreement with the trade unions on a new social contract that Labour will be able to sell to the electorate.

It also makes it more likely that the Prime Minister will want to put as much distance as possible between the present industrial strife and a general

His personal inclination will be to try to retain power through the summer and to hold an election in late September

or October.

The signs last night, following four hours of talks at 10 Downing Street between Mr. Callaghan and other Ministers and TUC leaders were that an agreement will be reached by

more likely as the prospect of a possible Labour humiliation at the polls was brought home. The poll's figures of 55 per cent for the Tories and 36 per cent for Labour compares with a much more even distribution last November when 47 per cent proposed to vote Tory and 43 per cent Labour.

**Metro-Cammell wins** 

£50m. rail car order

THE LEX COLUMN

# Warning bells in the markets

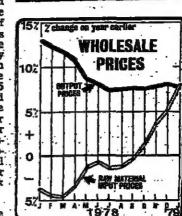
trial relations issues to go before the TUC General Coun-ell next week. The development of international bank lending conveys a message about economic im-balance in the world, and should Yesterday's talks made some progress on picketing, disputes not be attacked as the problem itself. This was the message procedures, the possibility of a itself. This was the message of the Governor of the Bank of relativities and anomalies board and a general statement on the England to the Overseas Bankers yesterday. He spoke after a day in which many A firm document is likely to include an agreement that picketing should be confined to different warning bells had been ringing the same tune. The price of Gold shot up by \$15 companies in direct dispute and to their suppliers. Both sides to \$245, its rise accompa have also been discussing secret ballots and the possibility of stressing that unions ensure by similar movement in the price of platinum and silver and other metals. The dollar weakened notably after a sustained period of strength, dropping back below Y200. Wall. Street opened well down after a bad day on the London Stock. that facilities for secret hallots that the document should include reference to the setting

> It seems that the significance of developments in Iran, and in particular its significance for the future of oil supplies, is asserting itself in international markets. Unlike the last time. gold reached this price, which was at the peak of the dollar crisis, the strength of the metal's price was more conspicuous yesterday than the weakness of any currency. It implied that investors were sure where to go but less sure where to come from: the dollar is no longer regarded as the only loser.

Both the Governor of the Bank of England and the managing director of the IMF yesterday stressed signs of a reversal in the main imbalance And, secondly the President of that has burdened the dollar, the House-Builders Federation They looked to a substantial reduction in the U.S. current account deficit this year and a compensating cut in the sur-pluses of Germany and Japan. pluses of Germany and Japan. Their message was offset somewhat by a more bearish assessment of the situation from Morgan Guaranty Trust. The big U.S. bank speit out the heavy official intervention which has kept the dollar buoyant since last November. It clearly remains sceptical that the measures so far taken to redress the imbalance between the U.S. and the strong currency coun-

and the strong currency countries are sufficient. This new imbalance, replacing the OPEC imbalance of the early seventies, is what continues to provide the inter-Governor described as a " major currently, the building societies" recycling role." His speech was clearly designed to rebuff the recent claims by West German started to fall, the competitive and U.S. officials that the interposition of the societies could national banking market needs to be controlled to prevent it adding to the world's problems.

Index fell 6.6 to 460.7



If these same officials were to take effective action on their deficits and surpluses the banking statistics would look after

#### Housing starts

Two ennouncements yesterday underlined the current dilemma facing the UK building industry. First, official figures confirmed that everage house prices were growing at an annual rate of 27 per cent in the final quarter of last year. forecast that UK private hous-ing starts are likely to fall from 150,000 in 1978 to around 130,000 this year — the lowest level for five years,

Higher house prices would be expected to coax out a higher supply of houses from the builders but this is clearly not happening. The main reason for this, according to the house-builders, is the shortage of mortgage funds — they like to call it a "famine." The building societies lent £8.7bn in 1978. and if current trends continue, look like falling short of this in the current year.

As a result the number of mortgages for new houses could fall by up to 29,000 in 1979 and given their obvious problems make good whipping boys. However, if interest rates improve dramatically in a very

Meanwhile, although they

would probably be the last to admit it, the house builders have been doing rather well over the last year. In 1978 housing custs rose by 10 per cent or so, while houses prices you while houses prices rose by close to 50 per cent in some areas, and the overall average was 27 per cent. This year will not be so good. Housing costs are accelerating and could rise the industry is also talking of an increase of about that order in house prices. Barratt Developments, one of the industry leaders, believes that prices could rise by 18 to 20 per cent: Consequently, against pre-tax profits of £7.4m in 1978. 1977 Barratt could make flyn

The outlook for 1979-80 is clouded by the current level of high interest rates and is far less certain. However, there is no sign as yet that house builders' margins will be squeezed to the same extent that they were in 1974-75. The industry seems to have learned its lesson and is starting to acclimatise itself to producing fewer houses at higher prices The low level of building starts scheduled for 1978 will not all be the fault of the building

#### Profit margins

As if it were not enough t have labour costs shooting up dramatically, raw material costs are threatening to match them. British industry's input costs-rose faster than factory gats prices in January and have now overtaken them on a 12-mouth basis. If the present trends on the metal exchange and in the oil markets are anything to go by, there will be no slackening of the pace for some time to

Throw in higher interest rates for good measure and the threat to corporate profits is obvious. It seems inevitable, now that the cost of three-month interbank money is nearly 1; points above clearing bank base rates, that the banks will have to move soon. Reluctance to put rates up just before their profits ere published may restrain the clearers, but cannot be an overwhelming consideration.

It is not surprising that equities were weak yesterday, nor that long gilts should have lost yet another half point and still be groping for some sort of base level.

## Richardson defends role of banks and Euromarkets

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

threat to world economic and financial stability, Mr. Gordon Richardson, Governor of the Bank of England, said last

He told the annual banquet of the Overseas Bankers' Club in London that his prejudice was "against executing the messenger; that is taking action to reduce the efficiency or scope those in other of the intermediaries, rather on the other."

After discussions of the control of the other." nenis in the system.

The speech contrasts with industrialised world. calls by Herr Karl-Otto Poehl, vice-president of the West U.S. officials for greater con-Euromarkets.

Mr. Richardson discussed in detail the extent to which the international banking system itself was a cause of concern

Weather 🖫

UK TODAY

DRY in most areas, wintry

London, Midlands, E., N., Cent.

S England, Borders, Glasgow, S.W. Scotland

Freezing fog patches slow to

clear in places. Dry. Max. 4C

S.E. England, E. Anglia

Mainly dry. Max. 4C (39F).
W. England, S. Wales,
Channel Isles

Occasional rain or sleet, Max.

6C (43F). N. Wales, Isle of Man, N. Ireland

Perhaps rain or sleet later. Max 4C (39F). E. Scotland, Cent. Highlands

Freezing for patches slow to clear, Max 2C (36F). N. Scotland. Scottish Islands

ome wintry showers. Max 3C

Outlook: Rain in most areas

WORLDWIDE

73 Nicosia

Tokyo Toronto

turning to snow in N.

showers in W.

THE INTERNATIONAL bank- were "essentially an alternative tries and in the international ing system and the Euromarkets channel for financial flows—a markets to play a major do not by themselves pose a very visible and a very efficient recycling role." channel, but a channel never-

> monetary engine." He argued that "what deter-mines the extent to which funds will move is not the nature of any particular channel for them but the position and prospects for the U.S. economy and U.S. policy on the one hand and those in other major countries

theless-rather than a separate

He stressed that, in view of the size and persistence of sur-German Bundesbank, and senior pluses on current account, much more remained to be done on trols over and supervision of the capital account by countries such as West Germany, Japan and Switzerland.

"As long as large surpluses on current account persist, there will probably be a need and concluded that the markets for banks in the surplus coun- Japan.

Continued from Page 1

year this index has increased

The full impact of higher

commodity prices is shown by

the 21 per cent rise last month

in the cost of materials bought by manufacturing industries

outside the food, drink and

tobacco sector. Even with crude

oil excluded, this index rose by

14 per cent last month with

higher prices for wood pulp, hides and skins mainly respon-

sible. The rise would have been even larger but for the relative stability of sterling.

The reversal of the previously

favourable raw material price trend has come at the worst

possible time for industry in view of current wage pressures

and an increase of more than 13 per cent in unit labour costs

So far industry seems to have been absorbing part of the higher costs at the expense of lower profit margins, since there

are no signs of any significant

acceleration in output prices.
The output/factory gate price

by 8 per cent

On the other main area of concern, the risk of inter-national banking, he defended the existing approach of regarding the international markets as primarily extensions of domestic markets with central banks supervising the lending activities of banks of their own nationality.

Mr. Richardson also stressed than examining more fundamental questions, such as the banks in recycling the surfor official finance, especially appropriateness of monetary pluses of the oil-producers after from the International Monetary and fiscal policies and the extent and causes of malaging the different problems adjustments in the system."

In the banks in feetwing the suffer after from the International Monetary Fund, to help guide deficit countries towards adjustment—adjustments in the system."

In the banks in feetwing the suffer after from the International Monetary Fund, to help guide deficit countries towards adjustment—adjustments in the system." Jacques de Larosière, the managing director of the IMF, and the other main speaker at the banquet.

M. de Larosière highlighted, as did Mr. Richardson, the progress already made in the adjustment process between the current account deficit of the U.S. and the surpluses in a number of European countries and

140.2 146.3 144.9 147.1\*

144.8 145.7

147.3

148.2° 150.6°

in recent months but some of

annual bunching of price increases at the beginning of

the year. Indeed this is the smallest January rise since

This index has risen by 3.9

per cent over the last six

months, only a slightly higher

rate than during the autumn. In

the 12 months to January, out-

provisional Source: Department of Industry

be attributed to the

Sept. Oct. Nov.

Dec.

1979 Jan.

placed three years ago. An option for a further 70 cars for the first 10 mile stage of the railway became a firm order last March.
The Birmingham company has Higher fuel prices also been invited to tender for WHOLESALE PRICES

Output (home sales)

149.2

151.8

157.3\*

155,7

156.6 157.1

158.3\* 159.8\*

£125m,

the possible modernisation and extension of the Hong Kong section of the Kowloon to Canton railway,
This tender calls for the

delivery of 135 rail cars in three-car units. The competition is expected to be even more intensive than for the Mass Transit Railway contracts. The trains may eventually be part of an improved rail system running through mainland China.

METRO-CAMMELL of Birming-ham has won a £50m order to Transmark consultancy service supply another 150 rail cars for won a £3m contract to supersupply another 150 rail cars for won a £3m contract to super-Hong Kong's new rail system. vise the electrification of the Hong Kong stretch of the Kow-loon to Canton railway running from the Kowloon terminus at Hung Hom to the border with China at Lo Wu, 20 miles from The Hong Kong Government

also plans to replace the existing single track rail line with a double track. China is known to be working on similar plans for modernising and upgrading the capacity of the section of the line over the border. Metro-Cammell, part of the

Laird Group, won its latest order for rail cars in the face of competing bids from a Japanèse consortium led by Hitachi. Mitsubishi and Toshiba, from a West German team headed by Siemens, from the Australian Commonwealth Engineering consortium and from Hawker Siddelev Canada. A group of French engineering companies also tendered for the contract.

The Government's Export Credit Guarantee Department said last night that it had agreed to guarantee the con-

### Continued from Page 1

## **Dunlop aid snags**

many State aid schemes.
Then the Industry Depart-

ment's advisory board was asked to give a preliminary view on the £23m application and advised against it. This compounded the political

Sir Campbell Fraser, Dun- if satisfactory terms can be lop's chairman, is chairman of agreed. It would, however, be the Confederation of British difficult for the Government to Industry's recently-formed in sanction aid against the advice dustrial policy committee which of the advisory board, especially is critical of both the NEB and while there is a political row many State aid schemes. brewing over the Speke redundancies.

However, the advisory board has not yet been asked for a formal view and efforts are now being made to design a package that it would back. While this problems for the Government, exercise continues, ideas of The Industry Department is NEB involvement have been thought to want to help Dunlop shelved.

## index rose by less than I per cent in January to 159.8 (1975 compared with 84 per cent the 100). This is a larger rise than Britain defends fish conservation measure

BY RICHARD MOONEY

horns with the EEC Commission at the European Court of Justice than abandon, without a fight, the fisheries conservation measures it imposed unilaterally last year.

In its reply to an ultimatum issued by the Commission last Britain yesterday rejected accusations that the measures were either discriminatory or unnecessary.

the Irish east coast and around the Isle of Man (except for repealed. It also objected to a could pre-empt legal process unilateral extension of the

industrial (fishmeal) fishing is If these demands were not

met, the Commission warned proceedings would be opened in the European Court. It is not certain whether the

British rejection of the EEC ultimatum will result in court action. Talks between the fisheries ministers of the main Common Market fishing nations The Commission demanded are still continuing and the that British bans on herring Fisheries Council is scheduled fishing in the Mourne area off to meet in Brussels later this month.

It is still possible, therefore, certain UK vessels) should be that a negotiated settlement

conservation measures it had munity law from including taken were contrary to Com- transitional provisions aimed a munity law.

Hague in 1976, an EEC member regime, but only if they are mission's call for the cancella-demonstrably urgent, necessary and non-discriminates. can introduce national measures and non-discriminatory.

The UK response accuses the Commission of inconsistency and contradiction in its arguments against the British measures. It also charges that the Commission has not taken account of Britain's supporting

particular, a claim by the Com-

THE UK Government has Norway Pout Box—an area of In its reply, Britain said it mission that member states are decided it would rather lock the North Sea within which did not consider that any of the technically prevented by Comminimising local hardship when Under the terms of an EEC introducing conservation meas-agreement reached in the ures. Such provisions have been included in some of the Commission's own measures.

tion of the extension of the pout box the Government is understood to have claimed that this demand ignores the "latest and most up-to-date scientific advice" which the Commission had previously regarded as a pre-requisite to the introduction of any conser vation measure.

German farm incomes up



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